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GOVT PUBNS

ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE  
LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS  
AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE  
INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE  
YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONSTRUC-  
TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE  
AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND  
INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-  
ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K.M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq.

MEMBER

MRS. EDITH BOHMER

MEMBER

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P R O C E E D I N G S

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VOLUME 29

WHITEHORSE, Y.T.

JUNE 27, 1977



## APPEARANCES

Stephen Goudge, Esq.	Commission Counsel
Ian Roland, Esq.	
A. Hollingworth, Esq.	Appearing for Foothills Pipe
R. Gibbs, Esq.	Lines (Yukon) Ltd.
R. Hudson, Esq.	
R. Mackie, Esq.	
J. Marshall, Esq.	Appearing for Canadian Arctic
D. Gibson, Esq.	Gas Pipe Line Limited
K. Taves, Esq.	
D. Joe, Esq.	Appearing for Council for
	Yukon Indians
G. Ellis, Esq.	Appearing for Yukon Trans-
	portation Association
D. Morrison, Esq.	Appearing for the Whitehorse
	Chamber of Commerce
Ione Christensen	Appearing for the Association
	of Municipalities and the
	City of Whitehorse
Sid Horton, Esq.	Appearing for the Yukon
Al Wright, Esq.	Territorial Government
Hector McKenzie, Esq.	Appearing for the Yukon
Rob McCandless, Esq.	Conservation Society
John Bayly, Esq.	
Carson Templeton, Esq.	Alaska Highway Pipeline Panel
Ms McPherson	Yukon Association of Social
	Workers
Irwin Armstrong, Esq.	



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Whitehorse, Yukon Territory

June 27th, 1977

(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. GOUDGE: I think, Mr. Chairman,  
and members of the Board, we're ready to resume, if ready.

MR. CHAIRMAN: Ladies and  
gentlemen, I would like now to open our proceedings and  
welcome you back to this second phase of our formal hearings.  
As you know, since the first phase of the formal hearings  
here in Whitehorse adjourned on the 20th of May, The Board  
has been conducting hearings in the communities around the  
Yukon. We began with the communities along the Alaska  
Highway, and the hearings in the highway communities have  
been completed with the exception of those scheduled to be  
held here in Whitehorse in the course of the next few  
evenings.

We have also completed our hearings  
in other communities in Yukon. This is communities off the  
highway, with two exceptions: we have yet to visit Old Crow,  
and those hearings are scheduled for this coming week-end.  
The only other community hearing remaining is the one  
scheduled for Carcross on the 8th of July.

The Board paid a brief visit to  
Alaska in the first half of last week. In the course of our  
visit we had discussions with a number of people, including  
local businessmen, officers of native regional corporations



staff of the Impact Information Centres, and others.

For anyone who is interested, Miss Hutchinson, the Secretary to the Inquiry, has the complete list of the people we met with in Alaska during that period, July 20th and 22nd, and would be pleased to supply to anyone who is interested, a copy of that list of names and the positions they hold.

We move now into the second and final phase of the formal hearings and, as I am sure, all participants are painfully aware that will represent a very full, a very intensive three weeks. I know that we can count on full co-operation from all concerned in trying to ensure that the best possible use is made of the time which is available. So, I wish you all well, and in particular wish you good health over the coming few weeks. There's an absolute prohibition on anyone becoming ill until the middle of July, and I think I'll now ask, Mr. Goudge, if he would speak to the order of proceedings.



1 MR. GOUDGE: Yes sir, we're  
2 commencing the formal hearings this morning with a panel  
3 brought forward by Foothills Pipe Lines (Yukon). Before we  
4 do that, let me just briefly run over the order for this  
5 week.

6 We'll be having formal hearings  
7 today. We have our second community hearing in the White-  
8 horse area tonight at Porter Creek. Tomorrow we're having  
9 formal hearings again here, commencing early in the morning.  
10 We've made arrangements tomorrow night, when there is no  
11 community hearing in the Whitehorse area, to have a formal  
12 hearing, should that be necessary, to keep abreast our our  
13 schedule. Wednesday and Thursday will be devoted to formal  
14 hearings during the day hours and in the evening, community  
15 hearings in the Whitehorse area. In fact, here in the  
16 Legion Hall. So that's our schedule for this week. For  
17 today, sir, I would propose that we commence as quickly as  
18 we can with the evidence In Chief of this Panel.

19 I'd like to suggest now, that  
20 we break in good time for lunch because I've spoken with  
21 Counsel for the participants and asked that they be avail-  
22 able at that time when we break for lunch, to meet briefly  
23 to exchange insults and to discuss the schedule from now  
24 on, to make sure we're all clear on who is using which day  
25 for their evidence In Chief.

26 Prior to turning it over to Mr.



1 Gibbs, Mr. Hollingworth and Mr. Hudson, let me just file  
2 with the Inquiry, some documents that relate to the pro-  
3 ceedings.

4 First of all, we've obtained from  
5 Alaska, a variety of documents which I would simply ask be  
6 marked as exhibits. They're being made exhibits in order  
7 that they be available for all who are interested to see and  
8 inspect. I'll simply recite the list and then pass them on  
9 to Miss Hutchinson.

10 First, the Fairbanks North Star  
11 Borough Pipeline Impact Information Centre Reports, Numbers  
12 One to Thirty-four. Second, a Fairbanks North Star Borough  
13 Impact Information Centre Reports Numbers One to Six and  
14 those are dated February 1, '75 to April '77. Third, the  
15 Agreement and Grant of Right-of-Way for Trans-Alaska Pipe-  
16 line between the United States of America and Amerada Hess  
17 Corporation et al. Fourth, the Environmental Assessment  
18 Atlas for the Proposed Trans-Alaska Pipeline System. Fifth,  
19 the Ahtna Corporation Annual Report 1976; a document entitled  
20 'Limited Capitalism by Dean F. Olson, a document entitled  
21 'Comparative Financial Analysis 1975', Anasca Regional  
22 Corporations by Dean F. Olson and Nicholas Jackson, and in  
23 that category lastly, a document entitled 'Money Markets  
24 and Management by Dean F. Olson. Sixthly, the Bylaws and  
25 Articles of Incorporation of the Ahtna Corporation and  
26 seventh, a document -- a study in fact, entitled 'One Year



1 Later, Copper River Valley Pipeline Impact Report'.

2 All those documents will be tabled  
3 and will be available for inspection.

4 (FAIRBANKS NORTH STAR BOROUGH PIPELINE IMPACT INFORMATION  
5 CENTRE REPORTS, NUMBERS 1 TO 34 MARKED AS EXHIBIT 51).

6 (FAIRBANKS NORTH STAR BOROUGH IMPACT INFORMATION CENTRE  
7 REPORTS, NUMBERS 1 TO 6, DATED FEBRUARY 1, '75 TO APRIL,  
8 '77, MARKED EXHIBIT 52) .

9 (AGREEMENT AND GRANT OF RIGHT-OF-WAY FOR TRANS-ALASKA  
10 PIPELINE MARKED EXHIBIT 53).

11 (ENVIRONMENTAL ASSESSMENT ATLAS MARKED EXHIBIT 54).

12 (AHTNACORPORATION ANNUAL REPORT 1976; DOCUMENT ENTITLED  
13 'LIMITED CAPITALISM BY DEAN F. OLSON'; DOCUMENT  
14 ENTITLED 'COMPARATIVE FINANCIAL ANALYSIS 1975'; ANCSA  
15 REGIONAL CORPORATIONS BY DEAN F. OLSON AND NICKOLAS  
16 JACKSON; DOCUMENT ENTITLED MONEY MARKETS AND MANAGEMENT  
17 BY DEAN F. OLSON, MARKED EXHIBIT 55).

18 (BYLAWS AND ARTICLES OF INCORPORATION OF THE AHTNA  
19 CORPORATION MARKED EXHIBIT 56).

20 (A STUDY ENTITLED 'ONE YEAR LATER, COPPER RIVER VALLEY  
21 PIPELINE IMPACT REPORT, MARKED EXHIBIT 57).

22 Then sir, in response to an  
23 undertaking given in response to the Chairman's Inquiry,  
24 Dr. Naysmith has supplied to the Inquiry for tabling, four  
25 documents -- three Planning Council Documents Numbers One to  
26 Three and fourthly, a copy of the paper, 'Together Today for







1 our Children Tomorrow'.

2 I would ask that those be tabled  
3 as well. The first three documents, the Planning Council  
4 Documents are copied and are available for the participants  
5 in our office. As well, Dr. Naysmith supplied two other  
6 documents, a copy of his address to the C.Y.I. General  
7 Assembly, April 15, 1977 and lastly, his appearance before  
8 the Government of Yukon Standing Committee on Yukon Land  
9 Claims, January 21, 1977. The transcript of that appearance  
10 as well, I would ask be filed.

11 (PLANNING COUNCIL DOCUMENTS 1, 2 AND 3 PROVIDED BY  
12 D.J.K. NAYSMITH, MARKED EXHIBIT 58).

13 (COPY OF PAPER "TOGETHER TODAY FOR OUR CHILDREN  
14 TOMORROW" MARKED EXHIBIT 59).

15 (COPY OF DR. J.K. NAYSMITH'S ADDRESS TO THE C.Y.I.  
16 ANNUAL GENERAL ASSEMBLY, APRIL 15, 1977, MARKED  
17 EXHIBIT 60).

18 (Y.T.G. STANDING COMMITTEE ON YUKON LAND CLAIMS,  
19 MEETING #7, JANUARY 21, 1977 MARKED EXHIBIT 61).

20 (LETTER OF JUNE 17, 1977, C.B. VIRTUE OF NORTRAN TO  
21 COMMISSION COUNSEL, MARKED EXHIBIT 62).

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1                   Then, finally, sir, in response to  
2     undertakings required when the Nortran Panel appeared, we've  
3     received a letter from Mr. Virtue who, you will recall, was  
4     on that panel. He responds to two questions from Mr.  
5     Bayly for the Yukon Conservation Society; references in  
6     the transcript are pages 1395 and 1400, and to questions  
7     from me at page 1423 of the transcript. Those undertakings  
8     are discharged by way of letter which I would ask be tabled  
9     as well.

10                   That, sir, completes the filings  
11     I would like to make at this stage. In addition, I should  
12     simply for housekeeping purposes, tell the participants that  
13     evidence-in-chief for upcoming panels is now available as  
14     far as the rest of this week is concerned in our office,  
15     4th floor, Lynn Building, the procedure we have there is  
16     very simple, simply to pick up a copy from the files avail-  
17     able and to check off a list of the participants taking the  
18     copy, and we hope that that way we can get by without too  
19     much more photocopying.

20                   Sir, I think with that I'd ask  
21     Mr. Hollingworth or Mr. Gibbs to commence with this panel.

22                   MR. HOLLINGWORTH: Thank you,  
23     Mr. Goudge.

24                   Mr. Chairman and Members of the  
25     Board, I'd like first this morning to introduce my associate,  
26     Mr. Reg Gibbs, who is sitting on my right and will be appear-



1 ing before the Inquiry from time to time and I'd like to  
2 turn the mike over to him just for a moment.

3 MR. GIBBS: Thank you. Just  
4 one item, perhaps a housekeeping detail and maybe should be  
5 clarified at the counsel meeting but I have six separate  
6 documents, the first one, B.C. Working Group for Moratorium,  
7 the second Gapfly Submission, the third one, Inter-Church  
8 Task Force on Northern Flooding, the fourth one, prepared  
9 evidence of Julie Cruickshank, the fifth one Julie Cruick-  
10 shank, and the sixth one, Kenneth Taylor McCallum and Hugh  
11 McCallum, and when I look at the schedule I don't find any  
12 of those down on the schedule for appearing this week.  
13 I wonder if I might be informed whether these are to be  
14 heard next week and whether they are separate panels or  
15 where we get to this material.

16 THE CHAIRMAN: Mr. Goudge, would  
17 you speak to that please?

18 MR. GOUDGE: Yes sir, my  
19 understanding although Mr. Joe can clarify is that that  
20 is the transcript of the evidence-in-chief for the last  
21 two days of this week, Wednesday and Thursday.

22 MR. GIBBS: My problem, sir,  
23 is to know how it's going to be dealt with. We have here  
24 three panels and I don't know where any of this fits. It's  
25 just a matter of knowing in what order it's going to be  
26 dealt with and by what panel so we can arrange between our-



1 selves who's going to analyse it. Would the perhaps,  
2 Counsel for the C.Y.I. might be able to enlighten us.

3 THE CHAIRMAN: Mr. Joe.

4 MR. JOE: On Wednesday, the 29th,  
5 C.Y.I. Panel designated as the Alaska Highway, the evidence  
6 will be given by Miss Julie Cruickshank and the filed  
7 evidence, I believe, where a praecipe as well as a text,  
8 and that will be given on Wednesday, the 29th. I got a  
9 call this morning from the National Indian Brotherhood who  
10 plan to make a statement in our time frame, and I previously  
11 the suggested date for their policy presentation was Thurs-  
12 day, June 30th, but I -- this is conditional on what Mr.  
13 Goudge has to say. They suggest that they would like to  
14 make a presentation on Wednesday, June 29th, at 2:00 P.M.,  
15 and that is just a short policy statement by the National  
16 Indian Brotherhood by the President, Noel Starblanket, and  
17 following that would be the panel from the Southern Support  
18 groups and that would consist of evidence from Tony Clark,  
19 Mr. Paul Marshall --

20 MR. GIBBS: Excuse me, sir, is  
21 that one of the Church groups?

22 MR. JOE: Yes, that's correct.  
23 That's the evidence of -- which was filed relating to, I  
24 believe it was Tony Clark, the Reverend Remi DeRoo and the  
25 evidence filed by Wes Molsed will be presented by Paul  
26 Marshall. Mr. Molsen is sick and can't make the presentation.



1 MR. GIBBS: I'm sorry to keep  
2 interrupting, sir, but the evidence I have doesn't have the  
3 names on it. I wonder if Mr. Joe could tell me, for example,  
4 which one is the Inter-Church Task Force on northern flooding  
5 and which one was MacCullums, and which is the gap fly  
6 submission, and which is the B.C. working group for a  
7 moratorium, then I can identify it with the schedule, but  
8 right now the names really don't convey anything.

9 MR. CHAIRMAN: Take them  
10 one by one and Mr. Joe would indicate who the persons will be  
11 who on the panel concerning church groups.

12 MR. JOE: The evidence titled:  
13 "B.C. Working Group for Moratorium, Presentation to the Alaska  
14 Highway Pipeline Inquiry", was the one filed by Wes Molsed  
15 and that will be presented on Wednesday, the 29th at 2:00 PM  
16 in the panel designated as Southern Church Groups. The  
17 gap fly submission will be presented by Mr. John  
18 Dillon and that will be on the economic impact to be  
19 presented on Thursday, June 30th. The evidence on the  
20 Manitoba Flood Committee will be presented also on the  
21 economic impact panel and that also will be on June 30th.  
22 The evidence by Hugh MacCullum will also be presented on the  
23 Impact Panel, and that also will be on June 30th.

24 MR. GIBBS: Thank you, sir.

25 MR. JOE: I should add at this  
26 point though, that I -- there is evidence forthcoming which



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1 is sent by special delivery, but mail being what it is in  
2 the Yukon, it hasn't arrived yet. We have one fourth piece  
3 of evidence to be presented on the impact panel and that is  
4 for Mr. John Ulthius, who is the lawyer for the committee  
5 on liberty and justice, and we expect that today sometime,  
6 and as soon as we get it, we'll be filing that.

7 MR. CHAIRMAN: Thank you, Mr. Joe.  
8 Mr. Gibbs?

9 MR. GIBBS: Thank you sir, Mr.  
10 Hollingworth will lead the evidence for the Foothills panel.

11 MR. JOHN B. MacLEOD: Sworn

12 MR. MERVE MILLER : Resumed

13 MR. JOHN ELLWOOD: Resumed

14 MR. JOHN BURRELL: Resumed

15 DIRECT EXAMINATION BY MR. HOLLINGWORTH:

16 MR. HOLLINGWORTH: Thank you. The  
17 next Foothills panel is seated before you, and includes, I  
18 think, except for one member, familiar faces. On my far left  
19 is Mr. Merve Miller, and next to him John Ellwood, and next  
20 to him John Burrell, and seated on the far right is Mr. John  
21 B. McLeod. I believe that Mr. McLeod has now been sworn by  
22 the Secretary. Mr. McLeod's qualifications will be enumerated  
23 as part of his evidence. I would like to begin with  
24 Mr. Burrell.

25 Mr. Burrell, do the socio-economic  
26 statement and written evidence as filed with this Inquiry



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contain an assessment of the effects which the Foothills project will have on the socio-economic environment of Yukon?

MR. BURRELL: Yes, they do.

Q And how was this assessment made?

A Prior to preparing the socio-economic statement for the Foothills Yukon project, we had undertaken a similar assessment for the Maple Leaf project. In preparing this Maple Leaf project assessment, there was considerable input from sociologists, economists and local residents possessing extensive northern experience.

By doing so, we were then able to develop company policies, which, in our opinion, are structured toward maximizing the overall net benefit which our project could bring to the Northwest Territories.

For Yukon, we retained consultants familiar with Yukon to advise us on socio-economic matters. We also have ongoing discussions with local residents and representatives of government agencies. In the process of developing the socio-economic statement, the company policies developed for the Northwest Territories were modified to reflect a situation in Yukon, the Northwest Territories being a less developed area than is Yukon.

Impacts on the socio-economic environment were then predicted and are being refined as the project proceeds. Such refinement is evident in the testimony



FOOTHILLS LTD.  
Yukon, B.C.

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which has been filed with this Inquiry. We are satisfied that sufficient socio-economic assessment has been done presently to enable a permit to be granted. This is not to say, however, that as the project advances, more work will not be necessary, for it will. It must be realized that the development of a project has to be an ongoing process, however.

Some, however, would want us to have done sufficient work at this time to be at the final design stage. We don't believe this is a realistic goal. We have found, for example, in the Northwest Territories, that if matters advanced too much before a permit is awarded, it tends to build false expectations. In the long term this can cause serious detrimental effects on the local society and economy if these expectations are not met. We feel this is equally applicable in Yukon.

Also, it is unrealistic in our opinion to advance a project too far without knowing terms and conditions to be contained in a permit or the responsibilities which will be assigned to government and the company, respectively. As the project advances, we will be undertaking a more detailed evaluation of socio-economic matters and be putting in place procedures to accomplish the objectives set out for this project. This will be done in co-operation with government agencies and the general public. To do so, it is important that the responsibilities of government and Foothills and the working arrangements between



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the groups be clearly established.

In this regard, we have already  
had some discussions with the pipeline co-ordinator of the  
Yukon Government and other government representatives.

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1 As part of the ongoing develop-  
2 ment process, we have economists and a sociologist familiar  
3 with the Northern Socio-Economic Environment, providing  
4 advice to us. We will also, as was testified to previously,  
5 the expanding of Community Liaison Program.

6 It will, however, not be expanded  
7 beyond its present level until a permit is received. We  
8 believe such an expansion to be premature.

9 Foothills does recognize the  
10 importance of properly assessing the impacts, which its  
11 project could have on Yukon and the planning of the appro-  
12 priate mitigative measures. Not only is Foothills address-  
13 ing this need through its own forces and consultants, they  
14 have also chosen to fund independent research groups on this  
15 subject. Such as the Alaska Highway Pipeline Panel and  
16 University Canada North Yukon Research Associates, whose  
17 independent findings are and will be available to this  
18 Inquiry.

19 Q Mr. Burrell, what  
20 matters will this Panel address? Does Foothills recognize  
21 that excessive in-migration is a major concern to Yukoners?

22 A Yes we do.

23 Q That was easy. What  
24 steps has Foothills taken in order to minimize the effect  
25 of excessive in-migration on Yukon, as a result of its  
26 project?



The information program will be national in scope, although we plan to put additional emphasis on those areas which people are most likely to migrate from. Recent information indicates that the provinces of British Columbia, Manitoba and Ontario, have contributed most of the immigrants to Alberta during the past year. Therefore, we are planning to concentrate our



1 information program in these three provinces.

2 The program will also be geared  
3 to regional unemployment rates in Southern Canada. We are  
4 confident that even if the economic situation in Southern  
5 Canada changes, this provision will still enable the infor-  
6 mation program to effectively reach the maximum number of  
7 potential in-migrants.

8 Q Does Foothills have any  
9 other details on the nature and content of the information  
10 program which you have described?

11 A Yes, data from the  
12 Northwest Territories and Alberta, show that most in-migrants  
13 are young, single and unemployed. This information, plus  
14 our personal observations in Yukon, have led us to the  
15 conclusion that a similar situation will prevail here. This  
16 information will be used to design an information program  
17 that is effective in reaching potential in-migrants.

18 Q What are the policies  
19 which Foothills has developed to discourage excessive in-  
20 migration?

21 A The policies which  
22 we have adopted are:

23 (a) Southerners wishing employ-  
24 ment on the pipeline will be hired south of 60 and no pipe-  
25 line employment of southerners will occur in Yukon. Only  
26 Yukoners will be hired in Yukon for employment on the pipe-



line project.

(b) Routing of construction personnel to and from a jobsite will be done as expeditiously as possible. Existing airports at Whitehorse and Watson Lake will be utilized as points of arrival and departures from and to the southern hiring centres. Connecting transportation will be scheduled so that there will be a minimum of waiting time at these airports.

(c) Return transportation to the point of hire will be provided for all workers who quit, are fired or leave their work for any reason.

(d) Construction workers will be housed on a single status basis in self-contained, well equipped camps, well removed from the communities. Controlled tavern facilities will also be provided in the larger camps.

(e) Local purchasing will be carried out so as to minimize the pressure on local businesses to enable them to operate without inordinate short term expansion of their work force.

An important factor which will tend to minimize in-migration in Yukon is the amount of pipeline construction which will be occurring concurrently in Alberta and British Columbia. Many of the job seekers who otherwise would have elected to journey to Yukon, may find employment in Southern Canada.

If for some reason, even with the



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1 above undertaking, some excessive in-migration occurs as a  
2 result of our project, Foothills will work closely with the  
3 appropriate government authorities to find ways to alleviate  
4 the situation.

5 Q Mr. Burrell, in a  
6 previous appearance before this Inquiry, you gave evidence  
7 with respect to the Foothills' plan to make natural gas  
8 available to Yukon communities. Do you wish to expand upon  
9 what you said or what was said at that time?

10 A Yes. Since that  
11 evidence was presented, we have refined our plan for making  
12 natural gas available to Yukon communities. For those Yukon  
13 communities adjacent to the Alaska Highway, and thus our  
14 proposed pipeline routing - Beaver Creek, Burwash Landing,  
15 Destruction Bay, Haines Junction, Whitehorse, Teslin,  
16 Upper Liard and Watson Lake - the Alberta border price in  
17 effect at the time, will now be the price of the natural gas  
18 at the community town gate.

19 The town gate is the location at  
20 which the lateral from the main line ties into the distribu-  
21 tion system for the community. Previously, it was considered  
22 that the Alberta border price would be the price of the  
23 natural gas at the point where the lateral connected to the  
24 main line.

25 In other words, under the  
26 refined plan for the communities listed, there will be no



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1 charge for transporting the natural gas in the laterals from  
2 the main line to the point where the laterals tie in to the  
3 community distribution system.

4 Q Does that mean that  
5 any costs associated with constructing and operating these  
6 lateral lines, will be rolled into the overall cost of  
7 service for the main line and passed on to the natural gas  
8 consumers in the United States?

9 A Yes.



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Q What effect will this have on the cost of transporting natural gas to the main line?

A It is estimated that there will be very little effect.

Q For the communities listed, how would you estimate the cost of gas to the consumer?

A By summing the estimated unit cost of the natural gas at the town gate, which would be the Alberta border price, and the estimated cost of service for transporting the gas from this point to the point of end use.

Q And have you made such estimates?

A Yes, we have.

Q What are the estimated savings which consumers are expected to realize by using natural gas, rather than fuel oil?

A The table attached to this evidence shows that the forecasted savings expected by household by community. In presenting this table, a single unit price approach for natural gas was used for all communities in order to provide the information as requested previously by Commission Counsel. The table shows, for example, that Whitehorse by the mid 1980's could realize an annual saving of



approximately \$290.00 per household compared to the use of fuel oil. For Watson Lake, the savings could be approximately \$625.00 per household. These results are based upon a preliminary study into the feasibility of providing natural gas to Yukon communities. As was indicated in our previous evidence, it will be necessary to do a more detailed study to determine precisely the cost of natural gas to the consumer.

Q Will industrial customers be included in this arrangement?

A The Foothills plan for making natural gas services available is directed primarily toward reducing the fuel costs of residential and commercial establishments. It will also include the supply of natural gas used in the generation of electricity to serve these two categories of customers. Supply of natural gas to industry would be outside the plan as proposed by Foothills. Supply of natural gas to each industrial customer would have to be evaluated on its own merit.

Q In previous testimony it was stated that in order to make natural gas available under the Foothills plan, it will be necessary to arrange for a supply of Canadian gas, since the Alaska Highway Pipeline project will be transporting only American gas to American markets. An exchange arrangement was proposed in order to accomplish this. Has there been any recent development in



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this regard?

A Yes, Pan Alberta Gas Limited have informed us that they dedicated sufficient natural gas supply into their existing export permit to satisfy the Foothills projected gas demand for Yukon.

Q Mr. Burrell, I won't ask you to read the details of this table, of course you're available for cross-examination on it presently, but I understand with respect to Haines Junction you had some comment you wish to make.

A Yes, during the Haines Junction community hearing, I was asked what saving could be realized from the use of natural gas compared to fuel oil. I had estimated that in the fifth operating year it would be somewhere in the order of five hundred to six hundred dollars. I mentioned at that time that the estimate was made rather quickly, but we have shown in this table that in the fifth year of operation, that saving is approximately four hundred thirty-five dollars, and in the tenth year it goes to six hundred and forty-five. I had one other thing I wanted to add too, and that is at the community hearing in Watson Lake, I was asked what would be the secondary spin-off resulting from the project, and I indicated that the number that I was familiar with was .5. I checked this with Mr. McLeod, and certainly the number of .5 is the number that we were used to in the Mackenzie Valley,



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but Mr. McLeod, as will be brought out in his evidence,  
indicated that an upper limit of one is possible in Yukon.

So, I just wanted to make that  
clear.

Q Thank you, Mr. Burrell.

If we could turn to you, Mr.  
McLeod. Mr. McLeod, what is your association with Foothills  
Pipe Lines (Yukon) Limited?

MR. McLEOD: I am an independent  
economic and management consultant operating in the Northwest  
Territories, Yukon, Alberta and Quebec. I was retained by  
Foothills Pipe Lines Limited in January of 1975 to advise  
the applicant on matters relating to the economic impact in  
the Northwest Territories of the Maple Leaf Pipeline project.

Since March, 1977, I have been  
undertaking similar work with respect to the Alaska Highway  
project through Yukon.

Q Does the attached sheet,  
having your name at the top, accurately describe your  
academic qualifications and experience?

A Yes.

Q I wonder, for the record,  
Mr. McLeod, you could just read in the salient features of your  
experience and your academic qualifications?

A I have a B.Sc. comm.  
in Economics and Commerce



from the University of Montreal, an M.A. in Economics from Simon Fraser University, a L.Sc comm. Finance from

the University of Montreal. I have taken extension courses in Regional Economics, Taxation, and Linguistics. I have taken a course from the Investment Dealer's Association of Canada. I have also taken Vocational courses in Mechanics and Electricity, and heavy truck driving.

My work experience has included a position as teaching assistant in Economics and Accounting at Simon Fraser University. I worked for one summer as a graduate research assistant with the Federal Department of Industry and Commerce. I have also spent another summer with Statistics Canada involving participation in the formulation of the Financial flows model of the Canadian economy.

From 1970 to 1973, I was a Financial Investment Analyst with Caisse de dépôt et placement du Quebec in Montreal. It's a diversified investment fund with assets at the time of one and a half billion dollars. My responsibilities included the monitoring of economic and political conditions, the analysis, surveillance, and selection of equity investments and public utilities, including oil and gas pipelines, communications, and real estate.

From 1973 to 1974, I acquired some practical experience in the N.W.T. I was responsible for



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drinking water delivery, sewage and garbage disposal and gravel hauling in Norman Wells. After a while there I moved on to Inuvik where I was a rod man, chain man on a survey crew on the Dempster Highway, and later on I was a trucker for Pacific Western Airlines in Inuvik.

I have been in the consulting business since 1974. I operate in the Northwest Territories, Yukon, Alberta, and Quebec. I work in the area of accounting, taxation and management consulting for local businesses, and I've done economic assessments for the Government of Northwest Territories, the N.W.T. Chamber of Commerce, and Foothills Pipe Lines. I've been working on the Alaska Highway project since March, 1977.

Q Mr. McLeod, would you briefly summarize the work which you have undertaken for Foothills Pipe Lines (Yukon) Limited?

A I have been responsible for projecting and assessing of the potential of the applicant's project to generate secondary or induced employment, immigration, and demographic growth in Yukon.

Q How have you estimated the amount of secondary employment which could be generated by the project?

A Well, the operations and maintenance phase, I have adopted an employment multiplier of 1.0, thus for every direct pipeline operations



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position held by someone residing in the Yukon, one additional job in the service sector, as broadly defined, will be created. For example, in 1983 the 189 Foothills and 12 Westcoast positions in the Yukon could entail the creation of a total of 201 new jobs in other sectors of the Yukon economy.

Q How did you obtain this value of 1.0?

A I arrived at this figure as a result of the extensive research which I have conducted on the subject of multipliers in the Northwest Territories and after taking a close look at other areas which have experienced rapid economic development.

For example, by next year Syncrude will be providing some 2,400 permanent operations positions in Fort McMurray and government planners there anticipate the creation of an equal number of induced jobs.

Similarly, research carried out by the Federal Government suggests that there is a one to one relationship between mining and induced employment right here in the Yukon.



Q Have you applied this same multiplier of 1.0 to the applicant's proposed construction activities?

A No, the pipeline construction activity will no doubt give rise to an increase in demand for goods and services on non-pipeline public and private sectors but because of the applicant's policy with respect to Southern hiring in self-contained camps, this increase in demand will emanate from the increased purchasing power of residents of the Yukon to obtain pipeline direct, related or induced employment. Non-resident personnel attached to the applicant's construction camps are expected to have very little impact on the local economy. Consequently, if any multiplier is used, and the use of multipliers in the case of construction activities is debatable, it should only be applied to that portion of the total manpower requirements having significant economic impact.

In our opinion, approximately six hundred Yukon residents could very conceivably be employed, either directly or indirectly, by the project, and it is to this number that I've applied a construction multiplier. However, because of the intensity and short duration of the construction activity, a value of less than 1.0 specifically, 0.7 has been assigned to the multiplier. I have adopted a lower value for the construction phase because I think most business people will not expand their



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1 capacity to a level which cannot be sustained after con-  
2 struction is completed. Rather, they will strive for a  
3 higher utilization of their existing capacity for the dura-  
4 tion of the temporary upsurge in demand. My induced employ-  
5 ment forecasts, which are based on this rationale, appear  
6 in Table One.

7 Q In Table One you  
8 demonstrate a certain relationship between the number of  
9 employment opportunities generated by the applicant's  
10 proposal and the subsequent impact on the demography of the  
11 Yukon. Why have you apparently excluded construction camp  
12 personnel from your population increase projections?

13 A Population forecasts  
14 are generally used by government and industry to assess the  
15 changing demands for public and private goods and services.  
16 In view of the applicant's policies with respect to the hir-  
17 ing of Southerners and the use of self-contained camps, the  
18 personnel based in the applicant's camps will have little  
19 bearing on the Yukon infrastructure. Moreover, the inclu-  
20 sion of this personnel in the general population figures  
21 could lead to erroneous conclusions for normal infra-  
22 structure planning purposes.

23 The only in-migrants, as far as  
24 I'm concerned, are those persons who have terminated resi-  
25 dence outside of the Yukon and who have elected residence  
26 here. Consequently, the population increase which I pro-



1 jected is the sum of the in-migration plus a linear growth  
2 factor applied to the number of in-migrants. In my table,  
3 I explicitly recognize the presence of a substantial con-  
4 struction camp population, which will be physically present  
5 in the Yukon. These camp operations will certainly have  
6 particular infrastructure requirements for which the  
7 applicant will make specific provision.

8 Q Do you not think that  
9 the applicant's project will attract hordes of people to  
10 the Yukon on the speculation that they will obtain highly  
11 lucrative employment?

12 A I agree that the pro-  
13 ject will have the potential to attract people, although I  
14 believe that there are numerous factors which will tend to  
15 limit the number of people that will actually come. As Mr.  
16 Burrell has already covered the applicant's policies with  
17 respect to in-migration, I will avoid needless repetition.  
18 My own experience with in-migration suggests that, generally  
19 speaking, there are two main categories of people who are  
20 likely to migrate, both of which have different motivations.

21 The first group is composed of a  
22 relatively fixed number of young people in pursuit of mean-  
23 ingful experiences and for whom economic considerations are  
24 of secondary importance. These people are generally stu-  
25 dents or recent dropouts. Rather than facing poor employ-  
26 ment prospects in their home area, they have little to lose



1 by migrating to a more exotic setting. Most Yukoners  
2 are familiar with this phenomenon.

3 The second and larger category  
4 is comprised of persons whose prime motivation is economic.  
5 Confronted with either unemployment or low wages at home, they  
6 seek to earn as much as possible as quickly as possible.  
7 Should they succeed, little is seen or heard of them due  
8 to their pursuit of economic objectives. Should they fail,  
9 they demonstrate considerably less reluctance to move again  
10 than the migrants of the first category.

11 These observations have led me  
12 to believe that economic conditions seem to determine an  
13 upward limit to in-migration. Specifically, using unemploy-  
14 ment rate as a proxy for labour market conditions, in-migra-  
15 tion is likely to occur up to the point that the unemployment  
16 rate in receiving region rises to the rate prevailing in  
17 the area from which the in-migrants originate, subject to  
18 some time lag between the attainment of this unemployment  
19 rate and the recognition of that fact. In my projections  
20 with respect to the in-migration to the Yukon, I have used  
21 the Yukon unemployment rate of twelve percent as the deter-  
22 manent of the upward limit. This figure is high in relation  
23 to the unemployment rates which will probably be in the seven  
24 point five to eight percent range in Southern Canada at the  
25 time that the applicant's construction activities are sched-  
26 uled to commence.



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1 I therefore believe that the  
2 differential of four percent should be significant to account  
3 for this time lag to which I have referred. The resulting  
4 projections appear in Table One and indicate probable spec-  
5 ulative migrant manpower of four hundred and one plus depend-  
6 ents in the peak construction year, 1980.

7 Q Are there any other  
8 factors beyond the applicant's control which would tend to  
9 limit in-migration to the Yukon?

10 A Yes, I think that  
11 economic conditions prevailing in areas adjacent to Yukon  
12 will have considerable bearing on the final outcome. Most  
13 speculative job seekers will come north by roads passing  
14 through Northern B.C. and Alberta. In this regard, it is  
15 very relevant to stress that, for example, in the peak  
16 construction year in the Yukon, where twenty-three hundred  
17 and eleven direct and related jobs will be available, there  
18 will be simultaneous pipeline construction taking place in  
19 B.C. and Alberta, employing seventeen hundred, and twenty-  
20 five hundred and seventy persons respectively. In addi-  
21 tion, there is a good possibility of a third oil sands ex-  
22 traction plant in Fort McMurray, the construction of which  
23 can involve as many as seventy-five hundred people.

24 Numerous other projects are  
25 also slated for Alberta over the next five years including  
26 fertilizer, ammonia, methanol, ethylene and several other



1 petro-chemical plants. This suggests that the low unem-  
2 ployment rates will continue to prevail well into the  
3 foreseeable future and that Alberta will absorb many migrant  
4 job seekers well before they reach Watson Lake.

5 Q Your table apparently  
6 suggests that these speculative in-migrants will be un-  
7 successful in their quest for pipeline-generated employment.  
8 How do you explain this anomaly?

9 A I have proceeded on the  
10 hypothesis that in-migration will occur as long as there are  
11 unfilled employment opportunities and the Yukon unemployment  
12 rate is under twelve percent. The applicant and I feel that  
13 approximately six hundred Yukoners could obtain project-  
14 related employment based on our assessment of skill require-  
15 ments and the availability of local manpower. Of course,  
16 this is only an estimate, we do not know how many of these  
17 people would have been previously unemployed. But there is  
18 little quantitative difference on in-migration whether these  
19 six hundred positions are filled with unemployed locals or  
20 if they are all filled by residents who are currently em-  
21 ployed, but the former proves to be the case, some six  
22 hundred outsiders can be expected to move in and take their  
23 place in the unemployment ranks and maintain the status quo.

24 Similarly, I would expect in-  
25 migrants to replace Yukoners who leave previous employment in  
26 favour of a pipeline position.







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Q Are you suggesting  
that the Applicant's project will not alleviate the unemployment situation in the Yukon?

A The project will offer a number of employment opportunities to Yukoners, in both the construction and operations phases. As I indicated earlier, I believe that the local people could fill approximately six hundred jobs during construction. I'm sure that some of these people will have been unemployed prior to their pipeline employment.

To this extent, the project will absorb some of the local unemployment, however, I also think that many of these previously unemployed Yukoners will be replaced by in-migrants, so the overall unemployment rate for the Yukon should remain fairly constant.

On the other hand, if this assessment of mine could prove to be on the conservative side, since I have seen evidence, would suggest that the unemployment rate in Alaska, decreased during the construction phase of Alyeska.

Q Would you please substantiate the twelve per cent unemployment rate which you have determined for Yukon?

A Yes, but first of all, I would like to stress that estimating the unemployment rate for the Yukon, is a very hazardous task which is



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subject to considerable discussion and error. Not only is there a lack of recent hard data of employment and the work force, the availability of employment opportunities and labour supply, demonstrates strong seasonal patterns for supply and demand of labour reaching their peaks and troughs in the first quarter and the summer respectively.

If one accepts the number of unemployment insurance claimants as a valid indication of the number of unemployed, the resulting peak unemployment rates range from 13.6 per cent in 1972 to 18.4 per cent in 1976, with the troughs ranging from 7.6 per cent to 15.3 per cent over the same period, paralleling a similar upward trend in Southern Canada. But these figures are subject to adjustment in either direction. One could argue that the U.I.C. figures understate the true unemployment rate because of numerous exclusions, particularly in the case of unemployed natives.

The latter probably constitute about half of the unemployed in the Yukon, and most are probably excluded from the U.I.C. data. I personally believe that the true average unemployment rate over the past year in Yukon has probably been in the order of twenty to twenty-five per cent, with natives accounting for about half. Consequently, the twelve per cent which I am using, is really the average unemployment rate of non-native residents of the Yukon.



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I have made this ethnic differentiation, since I believe that these are two distinct labour supplies and it is the state of the mob white, rather than immobile native group which will have by far, the greatest bearing upon the in-migration of mob whites.

Q Your use of a twelve per cent unemployment rate as a limiting factor, results in a rather low number of in-migrants. Do you not think that your estimate of 401 speculative job seekers is unrealistically low?

A No, actually this figure of 401 is not the total number of in-migrants that I foresee. Rather, it is the number of speculative job seekers over and above those outsiders which would obtain employment, that one might encounter in the Yukon on any given day. In that sense, my estimate really amounts to a man year equivalent. I have used this approach since it is more likely that this movement of people will occur throughout the construction phase and that the unsuccessful job seekers will stay for a short period of time, rather than everyone arriving at once and staying for the entire duration of the construction activity.

Although the speculative job seekers are not genuine in-migrants, they nevertheless place a demand on the local infrastructure in the same way



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1 as conventional tourists and therefore, must be considered  
2 for planning purposes.

3 Q You said earlier that  
4 the unemployment rate has been rising in the Yukon, perhaps  
5 even more than in Southern Canada. One would therefore  
6 expect a decrease in in-migration to the Yukon if your  
7 central hypothesis is valid. Is this in fact the case?

8 A Hard data on migration  
9 to and from the Yukon is rather difficult to come by,  
10 however, I observed a decrease in the number of people  
11 registering for work through Canada Manpower in Yukon since  
12 1974 and this decrease has paralleled the increase in the  
13 unemployment rate. Therefore, to the extent that registra-  
14 tions at Canada Manpower are a good reflection of in-  
15 migration, the expected inverse relationship is confirmed.

16 I would also add that, although  
17 the number of in-migrants to the Yukon has been decreasing,  
18 the quality as portrayed by higher skill levels, has been  
19 improving.

20 Q Are you familiar with  
21 any other cases of in-migration with which you may verify  
22 this inverse relationship between unemployment rate  
23 differentials and in-migration?

24 A Yes. First of all,  
25 the study based on 1970 Manpower Survey Data identified  
26 the statistical importance of a number of determinants of



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1 migration to the Mackenzie District of the NWT. Those  
2 factors relevant to speculative migration, provided the  
3 following profile of a typical migrant - young, single,  
4 unemployed for more than ten weeks and earning a low  
5 income, but not so low as to adversely affect mobility.

6 I believe that there are  
7 sufficient similarities between the NWT and Yukon to adopt  
8 the findings of this study to the Yukon. Secondly, the  
9 Province of Alberta has been experiencing substantial in-  
10 migration since 1973, while at the same time, that province's  
11 labour market conditions have been improving, relative to  
12 the rest of the country.

13 Government people in Edmonton,  
14 where they're monitoring the situation, have indicated to  
15 me that migrants to Alberta are coming from B.C., Ontario  
16 and Manitoba in that order of importance. Interestingly  
17 enough, the unemployment rate in each of these three  
18 provinces has been rising and reached 9.1, 7.4 and 6.7 per  
19 cent respectively in the month of April, 1977, the last  
20 month for which I have good data.

21 At the same time, unemployment  
22 has been decreasing in Alberta despite a sharp increase in  
23 in-migration, instead of 4.3 per cent at the end of April.  
24 Saskatchewan has the second lowest unemployment rate, 5.5  
25 per cent, of all the provinces east of Quebec and despite  
26 its proximity to Alberta, has not experienced any substantial



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1 out-migration and may actually be a recipient of net in-  
2 migration.

3 Although Quebec and the Maritimes  
4 have jobless rates in excess of the national average, they  
5 are under-represented in western Canadian in-migration  
6 statistics. This is probably due to distance and language  
7 barriers in the case of Francophones and a general  
8 aversion to mobility on the part of easterners. Neverthe-  
9 less, the latter appear to be prepared to come west if  
10 employment is assured prior to departure as is evidenced  
11 by the presence of numerous Maritimers, Quebecois at  
12 Syncrude's Fort McMurray operations.

13 For many people, insufficient  
14 financial resources discourage distant job searches.  
15 I have done some empirical statistical work in in-migration  
16 to Alberta. Using the unemployment rate differential  
17 between Alberta and the rest of the country as a proxy for  
18 differences in labour market conditions, I have established  
19 a significant inverse relationship.

20 Q Mr. MacLeod, just going  
21 back to that, I believe you said Saskatchewan has the  
22 second lowest unemployment rate of all the provinces east  
23 of Quebec. Should that be east or west?

24 A West.

25 Q Turning back to the  
26 evidence, how do you determine the number of dependants  
which might accompany the in-migrant work force?



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1 A For both the construction and  
2 applied  
3 operations phases, I have / the ratio of total population of  
4 the Yukon, to the Yukon labour force, which, according to the  
5 1971 census, was equal to 2.23, to the total number of job  
6 holders originating outside the Yukon who will be present  
7 in the Yukon communities along the pipeline corridor.  
8 According to this approach, each in-migrant or visiting work-  
9 er will be accompanied by an average of 1.23 dependents.  
10 This ratio can be legitimately applied to those in-migrants  
11 who obtain employment, but it is unrealistically high for  
12 the speculative job seekers.

13 The Alberta experience has been that  
14 less than 25 per cent of all migrants are under 15 years of  
15 age, but most are between the ages of 18 and 29 and single.  
16 Furthermore, these figures are averages, based on all in-  
17 migrants to the province, whether they be employed or not.  
18 Therefore, it would be more appropriate to apply a much  
19 lower dependency ratio.

20 After thorough consideration of  
21 Alberta data, I've decided to attribute 0.5 dependents to  
22 each speculative job seeker and I strongly suspect that this  
23 figure is on the high side.

24 Q Mr. MacLeod, do you have any  
25 prediction on how long these unsuccessful job seekers might  
26 stay?

A I have spoken to Canada Manpower



1 people about this and it would appear that persons of the  
2 first category to which I've referred, many of those whose  
3 prime motivation is non-economic, would probably stay about  
4 a month. This appears to be the case at present of the  
5 young, non-native student migrants to the Yukon.

6 Those whose main concern is economic  
7 will stay considerably less, perhaps only a couple of days  
8 and most likely less than a week. Such has been the case in  
9 Fort MacMurray.

10 Both groups of potential in-migrants  
11 will no doubt be conditioned by the labour market conditions  
12 prevailing in the simultaneous pipeline constructions areas  
13 in B.C. and Alberta prior to their arrival in Yukon, and this  
14 experience should further contribute to a reduction in the  
15 duration of their stay. It is also noteworthy, that in the  
16 summer of 1981, pipeline construction labour requirements  
17 will decrease to 830 in the Yukon, while at the same time,  
18 simultaneous pipeline employment in B.C. and Alberta will  
19 have risen to 2450 and 2530 respectively. The action will  
20 clearly have moved from the Yukon to south of 60 and hope-  
21 fully, many in-migrants for the proceeding years, that the  
22 proceeding years to the Yukon will promptly follow.

23 My research into inter-provincial  
24 migration leads me to believe that the average migrant is  
25 economically independent for the duration of his job search.  
26 It is really a matter of some having more financial resources



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1 than others, so that the overall impact with respect to the  
2 employment seekers resemble that of tourists or visitors that  
3 are so numerous in the Yukon every summer.

4 Q Can you give us an indication  
5 of where these in-migrants are likely to settle within the  
6 Yukon?

7 A Yes, it is expected that in-  
8 migrants which obtain employment will locate in the community  
9 closest to their employment.

10 In the operations phase then,  
11 Foothills will have 22 permanent employees in each of Teslin,  
12 Haines Junction, Beaver Creek and Watson Lake, and about 100  
13 in Whitehorse. Westcoast will also have about 12 permanent  
14 employees in Watson Lake.

15 In the construction phase, all but  
16 about 45 direct and related pipeline jobs will be in self-  
17 contained camps. In both phases, most of the induced employ-  
18 ment will be located within the communities that I've just  
19 mentioned, but I suspect that Whitehorse will receive a dis-  
20 proportionately higher share.

21 With respect to what I have referred  
22 to as speculative in-migration, I think that about 75 per  
23 cent would go to Whitehorse, with Watson Lake receiving many  
24 of the rest. If we add dependents to these numbers, we have  
25 a good idea of the population increases that the various  
26 communities would experience.







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1 Q Do you believe that Whitehorse  
2 would have the capacity to accomodate the number of in-mi-  
3 grants which you have predicted?

4 A Yes, although according to my  
5 table, there will be about 2,000 new jobs and about 4,600  
6 new people in the Yukon in the peak year 1980, three-quarters  
7 of the jobs and about half of the additional people will be  
8 located in self-contained camps and will not place signifi-  
9 cant demand on the local infrastructure. As for the other  
10 half, about 75 per cent, or 1,800, will reside in Whitehorse  
11 and vicinity.

12 It is my understanding that there is  
13 sufficient slack in the local rental accommodation market and  
14 enough lots presently under development to meet this demand.  
15 I believe that Mr. Miller can substantiate this assessment.  
16 As for the speculative transients who are unsuccessful in  
17 obtaining employment and who are included in preceeding figures,  
18 the current maximum capacity of Whitehorse "Y" and hostel of  
19 120 and 180 respectively, and surrounding campgrounds should  
20 be adequate. I would expect few children in this specula-  
21 tive in-migrant group and a subsequent minimization of the  
22 need for family transient accommodation and child related  
23 services.

24 Q In your opinion, do you feel  
25 that additional transient accommodation should be provided?

26 A No, the duration of stay of







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1 many in-migrants, particularly those of the first category  
2 which I've described, is dependent upon the general living  
3 conditions prevalent during their stay. If inexpensive  
4 food and shelter are made available, demand will quickly rise  
5 to meet the increased supply.

6 I therefore conclude then, an expansion  
7 of this kind of accommodation would create the kind of  
8 problems that the Applicant hopes to avoid.

9 Q In your table, you provide  
10 projections of employment and population growth. Could you  
11 please tell us if these estimates fall within a range of  
12 projections that you have made or do they reflect the most  
13 probable outcome as far as you're concerned?

14 A Actually, I've arrived at the  
15 overall population projection, after completing a series of  
16 sub-estimates, some of which are described as most probable  
17 outcomes, while others tend to be upward limits projected  
18 direct and relative employment figures, those provided by  
19 Foothills Pipe Lines (Yukon) Ltd., and Westcoast Transmission  
20 Company Limited.

21 After consideration of the past  
22 performances of these two companies, I decided that no adjustment  
23 would be necessary.

24 Moving further down my table, I  
25 consider my estimate of induced employment during construction  
26 to be a maximum. You may recall that I applied a



1 multiplier of 0.7 to the portion of total incremental employ-  
2 ment, which would probably be located within the communities  
3 along the pipeline corridor. In 1980, for example, the 420  
4 service jobs generated by pipeline construction correspond  
5 to the application of a multiplier of about 0.18 for the  
6 entire peak construction workforce of 2,311 people. This  
7 ratio will probably prove to be excessive. The multiplier  
8 I've used for the operations phase should be considered as  
9 a good approximation of what will really occur. I've deter-  
10 mined its reasonableness after assessing other development  
11 projects in similar areas.

12 Briefly then, I'll conclude by  
13 noting that there is general upward bias in my projections.  
14 This result is achieved by the use of a relatively high  
15 unemployment rate as the upward limiting factor in determin-  
16 ing speculative in-migration, a high ratio of dependence to  
17 speculative job seekers and high construction phase induced  
18 employment multiplier.

19 Q Thank you, Mr. MacLeod.

20 Mr. Miller, I understand that in  
21 light of Mr. MacLeod's studies you have done some revision  
22 of the evidence which was previously given by you and I  
23 would ask you to deal with that evidence now, if you might.

24 MR. MILLER: Thank you. A previous  
25 study on the subject was based on information available at  
26 that time. Since then, additional data has become available,



1 which I've reflected in this update. I have based these  
2 estimates on the same policies as indicated in the previous  
3 paper. In cases where changes have been made, the revised  
4 impacts and the reasons for the change are stipulated. I  
5 have also extended the period covered by the study to 1987,  
6 to permit a full overview of the revenues, including income  
7 tax, which should accrue to the local government.



It is my intention not to read the tables. I'll read the footnotes or the headings and the footnotes and we'll leave the numbers to stand on their own.

Under the Motor Vehicle Ordinance; construction vehicle requirements have become available plus detailed equipment requirements for the operations and maintenance phase. This provides an increase, a considerable increase in revenues to the Government of the Yukon, and there is one footnote there. If contractors are local companies or obtain equipment from local companies, these may be overstated. In other words, they wouldn't be licensed twice.

Under the Fuel Oil Taxation Ordinance, I have made no change there. I've just extended the period through to 1987.

Under the Taxation Ordinance, I have changed the assessment for the pipeline by increasing it to \$147,440.00 per mile based on the forty-six inch assessment rate of \$141,290.00 per mile, plus the difference between the forty-four inch assessment of \$135,000. The Government's present Regulations do not go to forty-eight inch pipe.

Under the Liquor Ordinance; I have increased the estimate based on the population increases, based on Mr. MacLeod's evidence. I have considered all other factors as having been carried forward from the previous study.



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Under the Tobacco Tax Ordinance,  
I have again used Mr. MacLeod's population estimate. All other  
factors have been carried forward.

In the Income Tax field, again I  
have used Mr. MacLeod's numbers and his estimate of 600  
residents obtaining employment as a result of this project.

The second change that I made  
was in the year of receipt of the tax. I have adjusted that  
to reflect the Government of Yukons' ability to obtain  
increased grant in lieu of income tax dollars based on  
estimates calculated as per the formulae, which I have  
included in my previous paper, plus known major factors.

Under the Land Ordinance, there  
is no change, and I've just reflected it through to 1987.

In expenditures to be incurred by  
the Government of Yukon, I have found no reason to change my  
estimates, however, there was some major concern raised at  
the last formal inquiry, and I have attempted to bring forward  
information which may clarify some of the points made at the  
last time. Before reading that statement on Social Welfare,  
we undertook at the last formal inquiry, to address ourselves  
to a question from Ms. McPherson, and for point of reference  
is at page 1108 of the transcript. It's concerning the  
seven per cent increase in case loads quoted on the socio-  
economic statement on page 5.16. The statement that was  
included in the socio-economic statement was incorrect, and



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should have read: In the field of social assistance, past trends indicate that the case load has averaged 8 per cent of the population. Should this trend continue it is expected that the case load would increase by 8 per cent by 1980 in proportion to the projected population increase. An additional 7.8 per cent may be expected from the estimated population increases attributable to the activities generated by the project. The total case load increase in 1980 would then be 20.3 per cent above 1976 levels, with 11.7 per cent of that attributable to normal population increases and 8.6 per cent attributable to pipeline activity. Total cases involved are estimated at 2,011 at normal population increases and 2,168 with pipeline activity, or 167 additional cases.

Carrying on with my prepared evidence, under the field of Welfare. The socio-economic statement, which I have just corrected, is taken from the prepared evidence of earlier, is quoted there, just for clarification. I calculated that the average annual increase in public assistance case loads in 1971 and 1972 to 1976/77 has been 8.5 per cent. There's a change there from the prepared evidence. The 7.2 should read 8.5 per cent. The number of cases in 1971 was 6.9 per cent of the population while 1976 cases were 8.4 per cent of the population.

Based on population projections, and there's another change in the prepared evidence at this point, for table 5A-5.2, socio-economic statement, and an



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8.4 per cent of cases per population, the cases which might be expected in 1980 are 2,112; 1981, 2,167; 1982, 2,220; and 1983, 2,273. If we increase the population projections above by McLeod's Incremental Employment Pipeline Direct, Related and Inducted total population increases, we can then project total cases of 1980 at 2,306; 1981-2,331; 1982-2,302; and 1983-2,357.



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1 This would then result in an average annual increase includ-  
2 ing pipeline activity, of seven percent 1980, or four point  
3 four percent, 1983. A review of the social assistance cases  
4 by category for 1976-77 indicates that of the eighteen  
5 hundred and one cases, nine hundred and sixty-seven cases were  
6 reported as unemployed employables with three hundred and  
7 eighty-eight reported as transients. It might, therefore,  
8 be reasoned that with additional employment opportunities,  
9 the public assistance cases might decline to include only  
10 those classified as unemployed or aged. That should be  
11 unemployable or aged.

12 An analysis of transient cases  
13 for the period 1973-74 and 1976-77 indicates that the  
14 number of transients peaked to four hundred and eighty-five  
15 in 1974-75, which coincides with the apparent Alyeska  
16 boom period. It should also be noted that while the  
17 number of transients who received social assistance ranged  
18 from four hundred and eighty-five in 1974-75 to three  
19 hundred and eighty-eight in 1976-77, total government assist-  
20 ance provided was eight thousand one hundred and sixty-five  
21 dollars and five thousand five hundred and seventy dollars  
22 respectively.

23 Based on case load data for  
24 the past three years of one hundred and seventy-four to  
25 a hundred and ninety-seven cases per worker and the popu-  
26 lation projections as indicated above, additional social



1 workers required as a result of this project should peak  
2 at one point two during 1980. I'm sorry, if I could just  
3 make a correction, it was pointed out that I misread the  
4 caseload, based on caseload data for the past three years  
5 of one hundred and seventy-four to one hundred and seventy-  
6 nine cases, I believe I read one ninety-seven.

7 The area of Highways and Public  
8 Works, I've looked at the traffic densities resulting from  
9 the handling of pipeline material for three points on the  
10 highway system. In all cases these densities of one thousand  
11 one hundred and ten to nine hundred and ninety, nine hundred  
12 and sixty monthly vehicles represents less than ten percent  
13 of the 1975 average monthly vehicle count and if added to  
14 the 1975 figures are still considerably less than the 1974  
15 peak traffic volumes. In 1974 when peak traffic volumes  
16 were experienced, no additional road maintenance expendi-  
17 tures were incurred.

18 In summary, I've attached a  
19 revised table showing the financial impact on the Govern-  
20 ment of Yukon and that shows the net effect, the revenue  
21 expenditures and the net effect which the government should  
22 experience through to 1987.

23 Q Thank you, Mr. Miller.

24 MR. HOLLINGWORTH: Because of the  
25 nature of the evidence given and some of the numbers not  
26 being read, I think it's important that this evidence be



1 filed. Apparently, now, the copies that are provided to the  
2 Commission have been provided to Miss Hutchison so I'll under-  
3 take to file a copy of this evidence after the lunch break,  
4 if I may.

5 THE CHAIRMAN: That would  
6 certainly be in order, Mr. Hollingworth, and might I  
7 suggest that we now take a brief coffee break. Mr. Goudge  
8 has indicated that we'll be stopping for lunch in good time  
9 to allow a conference with the participants and counsel  
10 for the Inquiry so I'd like to suggest that we take a  
11 break of only five to ten minutes.

12 (PROCEEDINGS ADJOURNED)  
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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. CHAIRMAN: Ladies and gentlemen, I wonder if we might now get under way.

Mr. Hollingworth?

MR. HOLLINGWORTH: Sir, this panel is now available for cross-examination. You'll see that Mr. Ellwood is also on this panel, and he is able, of course, to handle questions that might be put to this panel. He is also, I believe, in debt to the commission in that he presented some evidence in Chief and was then unable to appear for cross-examination for a couple of days, and he is available either today or tomorrow for cross-examination on his previous testimony.

MR. GOUDGE: He brought a note explaining his absence.

Two things I should have said this morning. The hearing this evening is at the Porter Creek Community Hall commencing at seven p.m. That's the second in our Whitehorse Community Hearings. The other two, Wednesday and Thursday evenings, also commence at seven p.m. We will be sitting one evening next week, to be announced shortly, in the Indian Band Hall, here in Whitehorse, for a fourth Whitehorse Community Hearing.

Sir, I would propose that in going through the list of participants, I'm going to make one or two brief changes, if I might, and I have checked with Counsel



and I would like, if I could, sir, to call on Mr. Bayley for the Conservation Society first, to commence the cross-examination of this panel.

MR. CHAIRMAN: Mr. Bayley?

CROSS-EXAMINATION BY MR. BAYLEY:

MR. BAYLEY: If I could start with you, Mr. Burrell. I just have a couple of questions for you.

On page three of your evidence you have indicated that as part of the ongoing development process, you have economist and sociologist familiar with northern socio-economic environment providing advice to us. Could you tell me who they are, please?

MR. BURRELL: Who the economists are?

Q And the sociologist?

A The sociologist, of course, is Maureen Jensen, I'm sure you are familiar with; the economist is Mr. MacLeod and Mr. Miller.

Q So the economists are on this panel, but the sociologist is not?

A No, that is correct.

Q Now, on that page as well, you say that you recognized excessive immigration as a major concern to Yukoners.

A Yes.

Q Have you, as a company,



1 defined excessive immigration?

2 A Yes. I think migration  
3 would be excessive if it, in fact, overtaxed the available  
4 infrastructure.

5 Q So, it's really based  
6 on whether the facilities can cope with it?

7 A Yes, that would be a  
8 fair assessment.

9 Q And that would be  
10 fairly broad, it would include everything from schools to  
11 highways would it?

12 A Yes.

13 Q You've talked on page  
14 four about an information program to talk about your hiring  
15 policies, et cetera, and in planning this program -- perhaps  
16 you could tell me first at what stage it is?

17 A Mr. Ellwood is more  
18 familiar with that than I am. Perhaps it would be more  
19 appropriate if he was to speak to that.

20 Q Could you, Mr. Ellwood,  
21 then?

22 MR. ELLWOOD: What stage the  
23 information program is at, we're evaluating in-house, through  
24 one of our parent companies, Alberta Gas TrunkLine is doing  
25 the work for us, identifying the I suppose immediate sources  
26 that will be utilized to carry this information program; which



1 radio stations, newspapers, magazines, things like that.  
2 They are being identified now, and some of the preliminary  
3 drafts of the material to be presented is being worked up at  
4 this time.

5 Q Did you study the  
6 project Intercept that was in place in Alaska?

7 A No, we really haven't  
8 studied it in detail. We know it was there, but --

9 Q Will you be studying  
10 it to appraise it's success or lack of it?

11 A No, I think our  
12 conclusion generally is that it was not very successful and  
13 there was no point in pursuing it further, or studying it  
14 any further.

15 Q You won't be studying  
16 it to find out what pitfalls not to fall into?

17 A I think they were  
18 fairly obvious without having to do a lot of study on it.

19 Q What did they do wrong,  
20 what should be avoided?

21 A Well firstly you have  
22 to get the information to those people who you are trying to  
23 reach, and the most likely immigrants, you must get it to  
24 them early enough and you must get the message through to  
25 them to make it clear to them that the message you are  
26 delivering is the true situation. A lot of the attempts, as



1 I understand it, to discourage immigration to Alaska were  
2 founded really on the fact that you had to go to Alaska to  
3 get a job. So, there was no use trying to encourage people  
4 to get a job some other way. There was just no other way.

5 Q Back to you, Mr. Burrell,  
6 if I may. You have outlined on page five the policies  
7 Foothills plans to use to discourage excessive immigration and  
8 I gather that one of the bases of this is as you pointed out  
9 in point (a) of your answer that only Yukoners will be hired  
10 in the Yukon for employment on the pipeline project. But I  
11 take it the success of that will depend on the strictness of  
12 the definition of Yukoner?

13 MR. BURRELL: Yes, the definition  
14 of a Yukoner is extremely important.

15 Q So, if those people  
16 decide on what that definition should be are as lenient to  
17 those coming in as they were say in Alaska, requiring a very  
18 short residency period to qualify, then that particular  
19 part of your program might not work despite your best efforts?

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1 A I think the people that  
2 will be establishing the definition of Yukon are well aware  
3 of the situation in Alaska and the need to have a proper  
4 definition of Yukoner so I suppose what you're saying could  
5 be correct but I think you have to also say that those people  
6 that are doing it will know what the consequences will be,  
7 if you want to call, too loose a definition and that will be  
8 taken into consideration.

9 Q In point C of your  
10 program to make sure in this case that the in-migrants don't  
11 stay around after their job is finished, or after they've  
12 lost their position, you say that return transportation to  
13 the point of hire will be provided. Does that mean that you  
14 will, in your opinion, be able to make sure that people ac-  
15 cept this transportation or will you just provide them with  
16 a ticket or the monetary equivalent of the fare?

17 A We'll make the trans-  
18 portation available, we would expect that we'd be using  
19 chartered aircraft to a great deal to move the personnel back  
20 and forth and we'll be making the transportation available.

21 Q I take it if they've  
22 been discharged and they decline to accept your employment,  
23 saying that they want to go on and try to find another job  
24 in Whitehorse, there's very little you can do about that?

25 A Well, you can, you  
26 know, we can do so much, it's a free country that we live



1 in and that possibility exists, but my understanding in  
2 Alaska that when people were offered the opportunity to go  
3 back to the lower forty-eight, they in fact did. I think  
4 the rest and recreation statistics, as I understand, do  
5 show that the people do return to the South.

6 Q You have said on the  
7 same page, though, that if some of your predictions prove  
8 to be inaccurate, that you're prepared to assist government  
9 authorities to mitigate the effects of in-migration.

10 A Yes.

11 Q And are those the  
12 effects of in-migration caused by the project?

13 A You mean -- I'm sorry  
14 I don't quite understand --

15 Q Well, the in-migration  
16 caused by this project might be compounded by other pro-  
17 jects going on at the same time.

18 A That's right.

19 Q And I suggest to you  
20 it might be very difficult to attribute in-migration simply  
21 to a single project if there is more than one going on at  
22 the same time.

23 A That's true, yes.

24 That's right. And that's why I think it's necessary that--  
25 that if problems do occur, we think that our policies here  
26 are certainly structured and will be effective in control-



1 ling in-migration but if a problem does occur and there are  
2 more than one project, is more than one project going at the  
3 same time, that, and in-migration does become a problem,  
4 then it's necessary for all the people that are in all the  
5 projects that are involved to sit down with the Government  
6 and decide how best to overcome it.

7 Q And I take it your  
8 company will undertake to do that even if the problems can't  
9 be attributed to your project?

10 A We'll certainly sit  
11 down with the Government and work out some arrangement  
12 as our project is involved, certainly.

13 Q But, as I say, it may  
14 be difficult to attribute the problems raised by in-migra-  
15 tion to a single project if there are a number going on at  
16 the same time and I gather that your company will, notwith-  
17 standing that difficulty of attributing problems to a single  
18 project, will be willing to sit down and assist, as you have  
19 stated on page six.

20 A Certainly, we're pre-  
21 pared to sit down. We would think that other projects that  
22 are going on would feel the same responsibility.

23 Q How would a company  
24 assist?

25 A How would they assist?

26 Q Yes.



1                   A           I think you'd have to  
2   -- you'd have to look at the situation at the time and deter-  
3   mine what in fact is causing the problem and then come up  
4   with an arrangement to overcome that particular problem.  
5   I think the important thing is to maintain flexibility to  
6   be able to react to a situation should it occur, I think  
7   that's the important thing.

8                   Q           It's stated on page  
9   seven that you're prepared to make natural gas available  
10  to the communities along the route and you've listed those.

11                  A           Yes.

12                  Q           Now, when you say  
13  that you're prepared to do that, I take it that that would  
14  require the approval of the various regulatory boards, the  
15  National Energy Board and the Federal Power Commission, so  
16  that you could do what you intend to do?

17                  A           Yes, the whole project  
18  has to have the necessary approvals, of which this is a  
19  part of the project, right.

20                  Q           And this particular  
21  approval, of course, hasn't been obtained in advance of the  
22  approval of the entire project?

23                  A           No, I think the whole  
24  project, really, would be looked at in total.

25                  Q           And it is possible that  
26  this portion of it would be turned down, though, it's your



1 intention that it would go forward and you would make that as  
2 part of your application?

3 A Well, we certainly  
4 made it, the supply of gas known. We don't anticipate that  
5 this would be any problem at all, Mr. Bayly.

6 Q Now, you have gone over  
7 the costs and the savings?

8 A Yes.

9 Q Do those savings refer  
10 to the differences in the price of the fuel as compared with  
11 heating oil?

12 A Yes, the comparisons  
13 were made forecasted price of gas to the forecasted price  
14 of fuel oil.

15 Q They don't take into  
16 account, then, the costs of converting facilities?

17 A No, they don't.

18 Q Or of the costs of  
19 running the lines beyond the town gate to the various  
20 consumers?

21 A Yes, they include that.  
22 They include the cost to the end user but we have not, as is  
23 normally the case in such a situation, we have not included  
24 the cost of the conversion. We believe that there are suf-  
25 ficient savings available that the people will see the econ-  
26 omics of conversion.



1 Q But you can't tell me  
2 what it would cost a person to convert an oil --

3 A Yes, we have some  
4 numbers on that. As I recall, I can look it up but convert-  
5 ing an existing oil furnace, as I recall, is somewhere in the  
6 neighbourhood of five hundred to six hundred dollars, as I  
7 recall.

8 Q So there'd be that  
9 initial outlay on the part of the consumer provided his  
10 furnace came up to scratch?

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1 present?

2 A I would think so.  
3 Certainly the studies that we have done, indicate that  
4 that trend will continue.

5 Q Mr. MacLeod, if I can  
6 turn to your evidence now please, sir. On Page 10 of your  
7 evidence, you refer to genuine in-migrant . Perhaps you  
8 could tell me how you would define a genuine in-migrant  
9 for the purpose of the study that you presented this  
10 morning.

11 MR. MacLEOD: An in-migrant is  
12 someone who gives up his residence in some other part of  
13 the country to take up residence in the Yukon.

14 Q And there is no  
15 difference between genuine in-migrants and in-migrants as  
16 you've defined them?

17 A No there isn't.

18 Q I take it that that  
19 definition is broad enough to include those people who  
20 come up on speculation and those people who come up with  
21 a permanent job already, whether it be with industry or  
22 government?

23 A Provided that they  
24 have given up their residence outside of the Yukon.

25 Q So you're not in-  
26 cluding those people who might leave their families in



1 another part of the country?

2 A That's right. I'm  
3 excluding them.

4 Q In studying in-  
5 migration and in making your forecast, you have looked at  
6 in-migration into other areas of this country and into  
7 the State of Alaska, is that correct?

8 A Yes.

9 Q And those other areas  
10 are the Mackenzie Valley and Fort McMurray in this country  
11 and at the Alaskan situation in the area of Fairbanks?

12 A I have also looked at  
13 Fort Nelson, B.C. with respect to the construction of  
14 the point of mountain line on the gas plant by Westcoast.  
15 I've also looked at Eaglesham, Alberta, which experienced  
16 pipeline construction last year.

17 Q Could you repeat that  
18 name again please. I didn't get it.

19 A Eaglesham, Alberta.

20 Q Now, of these, I take  
21 it you have accepted the validity of the Canadian examples  
22 and rejected the Alaskan one for the purpose of comparison  
23 with this Foothills (Yukon) project?

24 A Well, I've considered  
25 the Alaskan experience.

26 Q And as far as



1 applicability, have you considered the Canadian examples  
2 more relevant than the Alaskan?

3 A Yes.

4 Q Can you tell me why  
5 you made that decision?

6 A Well, in the case of  
7 all the Canadian projects that I looked at, all of the  
8 hiring was done through hiring halls in Edmonton or  
9 Vancouver or Prince George or Dawson Creek. In the  
10 Alaskan situation, the hiring was done in Fairbanks. The  
11 people had to go to the job to get work, whereas there is  
12 no such incentive in the Canadian projects that I've looked  
13 at.

14 Q So, provided in your  
15 opinion that the hiring halls are not local, except from  
16 people who are defined as locals, you feel that the  
17 situation will be different from the situation in Alaska?

18 A Yes.

19 Q But if hiring halls  
20 for people who are not Yukoners were located, say in  
21 Whitehorse or Watson Lake, you would feel that the Alaskan  
22 situation would have relevance?

23 A I think so, yes.

24 Q Now, did you also  
25 study the Yukon historically for the purpose of determining  
26 in-migration patterns, resulting from development here in



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1 the past?

2 A I haven't looked at  
3 any specific project.

4 Q Well --

5 A I've been looking at  
6 in-migration into the Yukon over the last few years, but  
7 not in relation to any specific project.

8 Q You didn't go back as  
9 far as the gold rush or the building of the railroad or  
10 the beginning of some of the mines?

11 A Well, I have some  
12 general knowledge about those projects, but --

13 Q But you didn't look  
14 for patterns within the Yukon itself? You're looking more  
15 at patterns of this kind of development in other parts of  
16 the country, would that be fair to say?

17 A Well, I know a fair  
18 amount about the gold rush, but I don't see any parallel  
19 between the gold rush and the pipeline.

20 Q All right. Would you  
21 answer my question though - you looked more at projects  
22 which were similar in kind, rather than the historical  
23 development of in-migration to the area? I'm not saying  
24 that's a bad thing. I'm just asking if that's what you  
25 did.

26 A I didn't systematically



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1 eliminate any kind of case.

2 Q But you didn't look  
3 at the area historically as part of your case. You looked  
4 more at projects in the oil and gas industry in other  
5 parts of the country - in Alberta and in British Columbia  
6 and to a certain extent, in Alaska?



A Okay. I've looked at those specific projects, and in addition, I have also looked at the general immigration trends in Yukon.

Q Over the past few years, and when you say the past few years, what do you mean by

11 --

A Roughly the last ten years. I have also looked at the general immigration trend into Alberta, since immigration has picked up. There has been significant immigration in Alberta since 1973. There was no immigration previously, so I have only looked at it there since 1973.

Q So you looked at the immigration in Alberta for four years, approximately, and in the Yukon for approximately ten years?

A Yes.

Q And the Northwest Territories in the Mackenzie District -- over what historical period did you look at immigration into that area?

A Since about 1970.

Q And was that confined to the Mackenzie Delta area or was that the entire Mackenzie Valley.

A Most of the Valley I would say.

Q Most of the Valley, did



1 you say?

2 A Most of the Valley.

3 Q Now, in the past you  
4 have had experience with immigration, as you state on page  
5 five of your evidence. Is that personal experience with  
6 immigration, or are you talking about the studies that you  
7 have done? It's on the fourth line down on the page.

8 A Well, back in 1973 I  
9 travelled around in a truck, a camper truck, all through the  
10 North and I ran into a lot immigrants on that occasion. I  
11 ran into people thinking of getting work on the Alyeska  
12 project back in 1973.

13 Q Was that in the Yukon?

14 A That was in the Yukon,  
15 yes.

16 Q So you ran into those  
17 people as they were travelling to work, or travelling in  
18 search of work in Alaska?

19 A Yes.

20 Q That's the experience  
21 that you are referring to here?

22 A Yes.

23 Q And is it on that basis  
24 that you divide, broadly speaking, the immigrants into the  
25 two categories; the romantics and the greedy?

26 A It's based on our



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1 experience, and also based on discussions I have had with  
2 people in Fort MacMurray and Fort Nelson, and Inuvik, and  
3 Whitehorse.

4 Q So your experience in  
5 both the Territories, both in the Mackenzie region of the  
6 Northwest Territories, and in your travels in the Yukon, you  
7 feel that they can -- the people who come in on spec, if we  
8 can call it that, fall currently into those two categories?

9 A Yes.

10 Q I take it, perhaps into  
11 a combination of them in some cases as well?

12 A Perhaps, yes.

13 Q And did you do this as  
14 a study, or did you do this as sort of the observer of the  
15 Northern Grapes of Wrath?

16 A On that trip back in  
17 1973? I was an observer. It wasn't a study.

18 Q In your opinion, what  
19 are the proportions between the romantics and the greedy?

20 A Well, I think I stated  
21 in my evidence that the romantics are a fairly fixed number,  
22 whereas the other category is dependent upon economic  
23 conditions; it's flexible.

24 Q And when you say a fixed  
25 number, is that because they are confined to a certain age  
26 group, or education level, or --



A Well, about half of my senior students, and that's a fairly fixed number. The percentage will change over a time, but not radically from one year to the next.

Q Whereas the others might depend on the unemployment rate and the rest of the country, at least adjacent to this Territory?

A Yes.

Q I take it that one of the problems within in-migration is that Foothills probably wants a certain amount of immigration to occur, but also wants to see it controlled, because it may require some of the immigrants to establish residence here and become hireable?

A Yes.

Q And it's a good thing for a project of this size that is projected by the Foothills Company to have a labour pool from which to draw?

A Yes.

Q Now, part of that labour pool is here, and you have identified that as being made up of people who are either unemployed, or employed in other jobs in the Yukon?

A That's right.

Q And those will probably take some of the jobs.

A Yes.



Q And I take it that in some of the jobs, particularly in the lower categories, the lower skilled categories of employment, you would anticipate a certain amount of turnover on the pipeline construction itself?

A Yes, as is presently the case.

Q And that will require a stream of workers of the appropriate size to fill the vacancies as they occur?

A Yes.

Q Now, some of those will be local people and some of those will be people hired through the hiring halls in the south?

A Yes.

Q But since the hope of Foothills is that a large proportion of the semi-skilled and the unskilled workers will come from the local region, the proportion of the high turnover workers may well come from the Yukon?

A That's possible.

Q Now, you've given before the Mackenzie Valley Pipeline Inquiry, from Mr. Hollingworth's information in Volume 166, page 25699, that there is a rule of thumb which says that you usually require three people to fill one position in the course of a year. As you put it,



three bodies for one manyear of work.

A That refers to native employees.

Q All right. And there's a difference then, is there, between natives and Outsiders?

A Yes, there is.

Q And what is the ratio there?

A I don't know. I just feel it is lower.

Q You don't have any statistics you could point to and tell us what the proportion might be or why you feel that it's lower?

A Well, it depends on the project. It's project related.

Q All right. And you have studied the Pointed Mountain Pipeline, and probably other pipelines, can you say with regard to pipeline constructions what it might be and whether it's lower in those kinds of projects?



1 A I know it was very low  
2 in the case of the construction of the gas plant in Fort  
3 Nelson, I don't know what the figure was but the turnover  
4 rate was about twenty-seven percent, which is quite low.

5 Q And that's twenty-  
6 seven percent of the non-native workers building the gas  
7 plant in Fort Nelson?

8 A Yes.

9 Q And what about the  
10 turnover of native peoples working on the gas plant or were  
11 there any in that project?

12 A There were a few.

13 Q And do you know any-  
14 thing about the turnover rates there?

15 A It was probably a  
16 little higher.

17 Q And did you study the  
18 turnover rate in the mining industry in the Yukon?

19 A I've seen the figures  
20 before. They're quite high.

21 Q And when you say quite  
22 high, do you know what they are approximately?

23 A Not offhand, I don't.

24 Q Could you get those  
25 for us?

26 A Yes.



1 Q Now, are the people  
2 who work in the mines in the Yukon largely native peoples  
3 or largely outsiders?

4 A Largely outsiders.

5 Q And is their turnover  
6 rate greater than three to one over a year? Three men for  
7 one job?

8 A I don't think so.  
9 It was high last year.

10 Q That was because of  
11 the strike, presumably?

12 A Yes.

13 Q Now, you've used a  
14 figure of six hundred which I believe comes from Volume 5 A  
15 of the application and that six hundred worker figure that  
16 you have used in your evidence, I take it, is derived from an  
17 analysis of the unemployment rolls for 1976 showing that  
18 six hundred of the unemployed people had the skills necessary  
19 to work on the pipeline?

20 A Yes.

21 Q So, we would make an  
22 assumption that the six hundred local hires would come from  
23 the unemployment rolls?

24 A No, I'm not necessari-  
25 ly making that assumption in that those people could obtain  
26 work, I don't know if they will or not.



1 Q In addition to that ,  
2 there will  
3 be some people perhaps lured from the mines or from other  
4 industries with the skills required, particular if there are  
5 pay differentials, whether they're based on an hourly rate  
6 or the number of hours work?

6 A Yes.

7 Q So there may be more  
8 than six hundred?

9 A Yes. Not many more.

10 Q Why do you say that?

11 A Could be as high as  
12 maybe seven hundred.

13 Q Why do you say that it  
14 has that limit? Is there an analytical reason for that?

15 A Because there's a  
16 limit to the skills which are transferable from mining or  
17 any other industry to pipelining.

18 A Now, we have to take  
19 into account -- I take it that the people who will be  
20 hired locally will be in the lower end of the scales, they  
21 will be the semi-skilled or the unskilled worker, by and  
22 large?

23 A Generally the less  
24 specialized positions.

25 Q And you've said at 5 A  
26 again, at 5.7, or the company has said, that the balance of



1 the employment opportunities and in brackets the number,  
2 1170, could potentially be filled by the local labour force  
3 or new in-migrants who may elect to become permanent resi-  
4 dents. So even though you say the maximum is seven hundred  
5 in practical terms, there's the possibility that there could  
6 be eleven hundred or more?

7 A Those additional  
8 people would not be living in communities, they would have  
9 to be camp jobs, there aren't enough, there aren't more than  
10 six hundred jobs in the communities so if more than six  
11 hundred people resident in the Yukon are involved, the  
12 difference between six hundred and that higher number will  
13 have to reside in camps.

14 Q You're not saying that  
15 that's impossible, though?

16 A That's possible but  
17 then I wouldn't consider them to be residents, either.

18 Q So a Yukoner who fits  
19 whatever the definition is, who goes to work in a camp,  
20 ceases to become a Yukoner for the purpose of the statistics  
21 on in-migrants?

22 A Well he would be still  
23 residing in the Yukon, his home is still here, he has not  
24 given up his residence in the Yukon.

25 Q All right, you would  
26 consider him still to be a resident or not?



1 A A Yukoner living in a  
2 camp, yes, he's still a resident.  
3 Q You confused me there,  
4 I'm not quite sure --  
5 A But an outsider who  
6 moves into a camp is not a resident.  
7 Q Okay.  
8 A Now, I suppose you  
9 could conceive of an outsider, I think you're thinking of an  
10 outsider who moves in to the Yukon and buys a house or some-  
11 thing like that and then he goes off to camp. Well, in that  
12 case, he would be a resident. But I think he -- I don't  
13 think it's economically rational to proceed that way.  
14 Q All right. So those  
15 people who don't buy houses --  
16 A -- or rent accommoda-  
17 tion --  
18 Q -- or rent accommoda-  
19 tion, don't --  
20 A -- are not considered  
21 as residents.  
22 Q -- aren't considered  
23 as residents. If they bring their families and move into  
24 accommodation, they're considered to be residents.  
25 A Yes.  
26 Q If they put tax on the



1 various facilities such as the unemployment offices or the  
2 bars or the hospitals, they're still not considered resi-  
3 dents even though they're using the infrastructures as  
4 provided by the community?

5 A But I suspect that  
6 there will not be very many people in that category.

7 Q And that's a suspicion  
8 rather than --

9 A Well, the policy is to  
10 use self-contained camps, so to the extent that the policy  
11 works these people will not be placing demands on the local  
12 infra-structure.

13 Q Right, but you've seen  
14 Mr. Miller's figures --

15 A -- yes --

16 Q And Mr. Miller's  
17 figures appear to suggest that there'll be quite a lot more  
18 tax coming in from various sources and some of that, I would  
19 assume, comes from those people in the camps, say, liquor  
20 tax and cigarette tax, to take two examples.

21

22

23

24

25

26



1 A Yes.

2 Q Presumably the

3 licensing fees going up, has something to do with more  
4 vehicles being used within the camps.

5 A No, this would be  
6 construction equipment.

7 Q Yes, I understand  
8 that, but it's still an increased use of that infra-  
9 structure to licence those vehicles - the licensing office  
10 gets more work?

11 A Yes.

12 Q As well as more  
13 revenue?

14 A Yes.

15 Q So they are aren't  
16 completely self-contained in that they will buy various  
17 things from the community. That may be a good thing, but  
18 you're not suggesting that they're going to bring every-  
19 thing in?

20 A That's right, but you  
21 look at some of those individual taxes. For example, the  
22 company would operate a bar in the camps. Well, if the  
23 company puts in the bar and generates tax revenue, there  
24 is no imposition on the local infrastructure, but there  
25 is the revenue. In other words, there is revenue without  
26 cost, so you cannot assume that that revenue is generated



1 in communities.

2 Q Now you have another  
3 figure of 401 people and you refer to that on Page 6 and  
4 Page 10. Now, these are the people that are up on spec,  
5 I take it?

6 A Yes.

7 Q On any given day  
8 during the pipeline construction period, we could expect  
9 to find approximately 400 people in the Yukon on spec?

10 A Yes.

11 Q Now, I take it, some  
12 of those people, you would foresee as getting jobs, if not  
13 on the pipeline, taking somebody else's place in another  
14 job who's gone either to the pipeline or left the  
15 country or whatever?

16 A Well, these specu-  
17 lators are a residual - over and above those in-migrants  
18 who obtain employment.

19 Q So these are the  
20 people who everyday, will not have a job in the Yukon?

21 A That's right.

22 Q Now, you've told us  
23 that those would largely be young people - young men?

24 A Yes.

25 Q Single?

26 A Yes.



1 Q You've told us that  
2 they would probably stay a few days at best?

3 A Yes.

4 Q Maybe one or two days?

5 A The people whose  
6 motivation is primarily economic, will only stay around  
7 for a couple of days if they don't obtain employment.

8 Q Yes.

9 A The others would stay  
10 a little longer.

11 Q And they -- of the  
12 401, the economically motivated people are in the majority  
13 in your opinion?

14 A I think so, yes.

15 Q By a considerable  
16 amount.

17 A I think that the  
18 people attracted to this project will be motivated  
19 primarily by the economics.

20 Q All right. Would  
21 you say that they would be three quarters of that four  
22 hundred?

23 A Well, it's only a  
24 guess. Mine is probably as good as yours.

25 Q Well, I didn't  
26 travel in the camper.



1 A I suppose three  
2 quarters is reasonable.

3 Q So that's three  
4 hundred people approximately everyday who are looking for  
5 a job?

6 A Yes.

7 Q And they stay one or  
8 two days.

9 A Yes.

10 Q So that they change  
11 -- let's see, if they stay only a couple of days, does  
12 that mean there will be forty-five hundred of them a  
13 month in the Yukon?

14 A That's the idea. I  
15 didn't make the calculation, but that's the idea.

16 Q Yes, so fifteen  
17 times three hundred approximately?

18 A Roughly.

19 Q So, forty-five  
20 hundred people coming in on spec every month during the  
21 life of the project, most of whom wouldn't stay very long?

22 A This figure tends to  
23 be a peak. I don't know if we would average that much  
24 throughout the entire period.

25 Q Let's cut it down to  
26 two hundred then, we still have three thousand coming in.



1 A That's the idea, yes.

2 Q Yes, over a three

3 year period?

4 A Yes. They're not all  
5 here at once, but this group is constantly being re-  
6 plenished.

7 Q That's what I mean.

8 A One leaves and some-  
9 one else comes.

10 Q Yes, but this is the  
11 traffic of people coming in on spec?

12 A Yes.

13 Q Somewhere between  
14 three thousand and forty-five hundred among the greedy,  
15 and considerably less among the romantic because they stay  
16 a bit longer?

17 A Yes.

18 Q Now I take it that  
19 when you talk about the syphoning effect, as you do in  
20 your evidence, that people who might be coming here, will  
21 get drawn off into other employment opportunities that  
22 appear to be shaping up or have shaped up in Alberta and  
23 British Columbia. Do you feel that that will occur as far  
24 as the Yukon is concerned with people who may be heading  
25 for Alaska?

26 I realize not all of them will



1 have permits to work in Canada.

2 A That' right. I  
3 wouldn't expect too many U.S. citizens looking for work  
4 on the Yukon portion of the line.

5 Q Right, but it is a  
6 possibility I take it?

7 A Well, I don't think  
8 it's much of a possibility.

9 Q All right. Why does  
10 the syphoning not occur in the Yukon as well as in British  
11 Columbia and Alberta? Is it mainly because of the  
12 requirement of permits to work?

13 A Yes.

14 Q But anyone who had a  
15 permit to work, would be a possible victim of the syphon  
16 process?

17 A Yes, but based on  
18 my understanding of manpower regulations, it would be very  
19 difficult to obtain such a permit.

20 MR. ELLWOOD: Mr. Bayly, could  
21 I add something to that point.

22 MR. BAYLY: Sure.

23 MR. ELLWOOD: The suggestion  
24 has been made quite a few times that there would be  
25 United States labour involved in building this project  
26 and we don't foresee that at all. There is sufficient



1 labour in the pipeline construction industry in Canada to  
2 construct this project, so I don't see how an American  
3 would ever obtain a work permit to come here and work.  
4 It would mean displacing a Canadian.

5 Q There are precedents,  
6 but you say it won't happen?

7 MR. ELLWOOD: Well, I wouldn't  
8 say none at all. I know of a couple of Canadians who  
9 worked on the Alyeska project up there, but you're talking  
10 on very low numbers like that, just a couple of people.

11 Q Now, whether we have  
12 them -- the people being part of the syphon process or  
13 not, I take it you would anticipate a large number of  
14 people would be coming through on their way to Alaska.  
15 That this will be the route that they will take?

16 MR. MacLEOD: I also say it  
17 is very difficult to make a distinction between these  
18 people and a typical tourist. The average tourist that  
19 passes through here, seems to be Alaska bound and he only  
20 stays here for a couple of days and I expect to see the  
21 same pattern with employment seekers.

22 Q Yes. These will be  
23 an addition though, to those people that we call the  
24 speculative employment seekers?  
25  
26



1                   A       It's still going to be very  
2 difficult to make the distinction because even the volume of  
3 tourist traffic here fluctuates quite a bit from year to year.

4                   Q       I realize that to test out the  
5 theory that you've advanced will be very difficult because  
6 there'll be a lot of things going on, but presuming that your  
7 theory is valid, there will be an addition the people who are  
8 travelling through at the rate of approximately 3,000 a  
9 month, an additional group who are not tourists who are going  
10 to Alaska for the very purpose you anticipate, these 300 a  
11 day or so -- sorry 300 every two days to be coming to the  
12 Yukon.

13                  A       Yes, but this flow I     pro-  
14 ject     includes these romantics -- well, you already have  
15 some going there now, so you can't really say it's all over  
16 and above the existing flow. Part of it's already here.

17                  Q       And some of it's happening  
18 right now among the greedy as well.

19                  A       Yes.

20                  Q       Yes. Now, you've talked about  
21 the one-to-one, or 1.7 ratio of pipeline employment to spin-  
22 off or induced employment. Does that include increases in  
23 government staff for either the growth of the infra-structure  
24 or monitoring the project, or policing the project.

25                  A       Yes, it does.

26                  Q       And that includes additional



1 school personnel if required?

2 A Yes.

3 Q And that's in addition to  
4 people who build houses, people who come up to work in stores,  
5 et cetera?

6 A Yes.

7 MR. GOUDGE: I'm just wondering,  
8 sir, if Mr. Bayly has reached a convenient point to stop.  
9 I would like to have a meeting at some stage before too  
10 long, if we can.

11 MR. BAYLY: I couldn't find my  
12 next question at the time that Mr. Goudge said that, I think  
13 it would be an appropriate time to stop.

14 MR. CHAIRMAN: This would be a good  
15 time. All right, then a suggested time for recommence-  
16 ment, Mr. Goudge?

17 MR. GOUDGE: Two o'clock.

18 MR. CHAIRMAN: All right, then  
19 we'll stand adjourned until two o'clock.

20 (PROCEEDINGS ADJOURNED)

21

22

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(PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT)

MR. GOUDGE: I think, sir,  
if the Board is ready, we can resume. Mr. Hollingworth?

MR. HOLLINGWORTH: Thank you,  
members of the Board.

MR. CHAIPMAN: Yes, the  
resumption of cross-examination.

MR. HOLLINGWORTH: Just prior to the  
resumption of cross-examination, there are two items Mr. MacLeod wanted  
to speak to. Perhaps he could address those questions now.

MR. MACLEOD: Yes, on page  
six of my filed evidence, I misread one sentence. That's  
in answer number eight, toward the end of the last paragraph.  
I therefore believe the differential of four per cent should  
be sufficient to account for the time lag to which I have  
referred. I believe I had read substantial. Also, second  
point, in my table for the year 1980, I indicate that there  
will be 410 speculative transients, and in the text I  
refer to that same number as 401. 410 is the correct figure.

MR. HOLLINGWORTH: Thank you,  
Mr. MacLeod. Thank you, Mr. Bayly.

CROSS-EXAMINATION BY MR. BAYLY CONT'D:

MR. BAYLY: Mr. MacLeod, I take  
it that change in the last number doesn't affect your  
answer to the questions I asked this morning?

MR. MACLEOD: No, it doesn't.

Q Mr. MacLeod, on page



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sixteen of your evidence you state that you would favour discouraging the building of inexpensive food and shelter facilities beyond those that exist at present. Do I understand that correctly?

A I was referring particularly to transient accommodation.

Q I understand that the experience in Alaska was that people stayed in sub-standard accommodation whether it was camper-trailers or tents, just because this kind of accommodation, cheap accommodation, was not available. In other words, they found a solution to it, other than going home in many cases.

A Well, in Alaska, there was still some incentive to stay around, because if they wanted any job at all, they had to stay there.

Q You don't see it as a problem, just ignoring the building of more facilities?

A I would say that someone who is motivated economically is going to be looking at the market conditions and living conditions while he is staying here. If the prospects of getting work are poor, I think his decision will be based upon the living conditions which are available.

Q Do you foresee that these people would go to communities where it might be cheaper to live than Whitehorse, for example, as an alternative to



turning around and going back down the highway?

A If their main motivation is economic and that they are seeking employment, I think they would stay close to where they might get a job, but in Whitehorse they are more likely to obtain employment/than anywhere else. That's in the Yukon, of course.

Q I'm assuming if they had transportation, that they might be a little more mobile than just to stay in the City of Whitehorse. Would you agree with that?

A Well, I would say that the prospects of them finding work in Whitehorse would be quite poor, and they are going to be worse elsewhere in the Yukon.

Q Do you anticipate that the people who will be coming up on speculation will be coming largely with their own transportation or that they will be coming using public transportation?

A I think it would be primarily private. I can imagine people using the bus.

Q And I take it that is at least part of the reason why you would expect there to be a siphoning, in that people will be making their way here using their own transportation?

A Yes. I also suspect that on their way up they are going to find out that the



Company's hiring policies are being implemented. If they can't get work on the Alberta portion of the project, they are liable to be discouraged to continue on.

Q The thing that I wonder about, is you do say that you anticipate that people may come up for a couple of days and then turn around and go back again. Do you think with the length of the drive from British Columbia, a major centre in British Columbia, to Whitehorse is going to discourage people from going back immediately. They may combine the job seeking perhaps with a vacation, or at least a stay of longer than you anticipated?

A Well, I think the duration, the length of the trip will discourage a lot of people from coming in the first place.

Q Well let's assume that they have come in the numbers that you have projected though, and you have projected several hundred a day --

A Well, I like to stress though that this estimate of several hundred a day is an upward limit, it's a maximum.

Q Let's cut it in half. It's still a couple of hundred a day?

A Okay. I fail to see any significant distinction there between these kind of people and the ordinary tourist. If he comes here and he can't find work, and he wants to stay around for a vacation for a



1 while, he's just an ordinary tourist.

2 Q Do you think that's going  
3 to change the tourism in the Yukon. That the tourists are  
4 going to be more made up of people who come up here at least  
5 partly to seek a job?

6 A Right at this time I  
7 think some of the tourists who come up here are looking for  
8 a job. They leave that possibility open.

9 MR. BURRELL: I think Mr. Bayly,  
10 one important thing that we have to add to this, and that is  
11 that the policy is that unless you are a Yukoner, as far as  
12 the pipeline is concerned, you don't get a job. I think that's  
13 extremely important, so that if somebody comes up here looking  
14 for work on the pipeline, he's not going to get it. So  
15 there is no sense in staying around.

16 Q Well, you're saying that  
17 he won't get a job on the pipeline, not that he won't get a  
18 job in the mine, or in a shoe store, or something like that.

19 A Well, that's a possibility  
20 of course, but as far as the pipeline employment is concerned,  
21 I think this is what we have been talking about is that he  
22 won't get employment on the pipeline because the policy is  
23 not to employ any people in Yukon unless they are Yukoners.  
24  
25  
26



1 I would doubt that many peo-  
2 ple would come up here with the objective of getting a job  
3 in a shoe store. They'd be angling for pipeline work be-  
4 cause they feel that that is more renumeration.

5 Q That was a bit of a red her-  
6 ring, but a job in a mine is something that people are al-  
7 ready coming up for, would you agree with that?

8 A Yes.

9 Q Now, the figures that you've  
10 given on Page 6 for the peak construction of 2,311 workers,  
11 are those figures that you yourself have projected or ones  
12 that have been given to you by the Applicant?

13 A They've been given to me by  
14 the Applicant.

15 Q And are you satisfied with  
16 those figures?

17 A Yes, but I recognize they're  
18 also subject to change---

19 Q Right. I gather that you --

20 A --- as the project evolves.

21 Q You gave evidence of such a  
22 change in the Operations and Maintenance phase before the  
23 Energy Board, I believe, revising your estimates from 160  
24 to 255, at one point. Do you recall that?

25 A That was for gas  
26 plant employment.



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1 Q Yes, and I take it that this  
2 2,311, you're satisfied with for the 570 miles of pipeline?

3 A Yes, but I admit that it could  
4 change.

5 Q Right. Do you know what the  
6 estimates are for the peak construction of the Alaska por-  
7 tion of this project? If I were to suggest to you that they  
8 are just under 9,000 for 1979, would you be able to agree  
9 with me on that?

10 A I think I would, yes.

11 MR. HOLLINGSWORTH: This seems to  
12 me, a point that was covered in earlier panels.

13 MR. BAYLY: Well, do you know what  
14 the point is, Mr. Hollingworth, or?

15 A I was just wondering why  
16 you're leading him, just going over the same ground, in  
17 view of our tight schedule?

18 Q Mr. Commissioner, we're talk-  
19 ing about in-migration here. I'm wondering if this panel  
20 is satisfied with the figures given in the face of the fact  
21 that there may be considerably more people required per mile  
22 for the Alaska portion. If there's a special reason for that  
23 then perhaps the in-migration figures are satisfactory. If  
24 there isn't one then we may be able to say that there is  
25 going to be considerably more people, that this figure is  
26 going to be revised upwards.



1 MR. ELLWOOD: Mr. Bayly, our in-  
2 migration, John MacLeod's in-migration record, if you wish,  
3 is not dependent upon what Alcan Pipeline Company does in  
4 Alaska. We're not anticipating any in-migration between the  
5 United States to Yukon.

6 MR. BAYLY: I'm not suggesting you  
7 are, Mr. Ellwood, but I'm just wondering why they require  
8 more people per mile than Foothills (Yukon)?

9 A It probably is productivity  
10 and the, some differences in the way they intend to con-  
11 struct there.

12 Q All right, if you could look  
13 into that, if there are any other reasons you might supply  
14 those to the Inquiry by letter.

15 MR. HOLLINGWORTH: Mr. Commissioner,  
16 this evidence has been gone over before. Mr. Saker addres-  
17 sed that question in an earlier panel. He said it was pro-  
18 ductivity that was the result of the smaller number of per-  
19 sons per mile here. I don't see why we're, where we're going  
20 over this again?

21 MR. CHAIRMAN: Well, I take it Mr.  
22 MacLeod has indicated that he's accepting the Applicant's  
23 figure rather than it being one which he personally has de-  
24 veloped. Insofar as the rest of the panel is concerned, I  
25 suppose it's legitimate for Mr. Bayly to ask whether the  
26 panel members have had any reason to change their views since



1 the last time they were asked this question and that it's  
2 capable of a very brief answer. I take it the answer is no.

3 MR. ELLWOOD: We have not changed  
4 our figures. That is our estimate of how many people will  
5 be employed in the project, based on our experience in con-  
6 structing pipelines in Alberta and B.C. and elsewhere in  
7 Canada.

8 MR. BAYLY: Those are the only  
9 questions I have.

10 MR. MACLEOD: Maybe I could add  
11 something there ---

12 Q Oh, I'm sorry, Mr. MacLeod.

13 A In assessing that figure of  
14 2,300, I considered the past performance of Trunk Line,  
15 their performance, the performance of Trunk Line and West-  
16 coast in comparison with their budget on construction pro-  
17 jects and they have met budget quite generally. That's why  
18 I think this 2,300 figure is quite valid.

19 Q No further questions.

20 MR. GOUDGE: Sir, continuing down  
21 the list, Ms McPherson, for the Yukon Association for Social  
22 Workers, indicates she has one or two questions.

23

24

25

26



CROSS-EXAMINATION BY MS. MCPHERSON:

1 MS. MCPHERSON: Do I understand  
2 correctly that we can also examine the material of Mr.  
3 Ellwood's that was not read out this morning?

4 MR. HOLLINGWORTH: Is that the  
5 material of the present Panel?

6 MS. MCPHERSON: Yes.

7 MR. HOLLINGWORTH: I think that  
8 is the evidence to be read in the next Panel, isn't it?

9 MS. MCPHERSON: That was the  
10 material that was presented --

11 MR. HOLLINGWORTH: This is going  
12 to be handled in the next Panel.

13 MS. MCPHERSON: That's fine then.  
14 I have a question pertaining to the four hundred speculators  
15 you expect in any one given time and the illustration that  
16 was used this morning in terms of approximately three  
17 thousand to four thousand per month, that general ballpark  
18 figure.

19 I wonder if we could go into that  
20 in a little more detail. I wonder if you can tell me something  
21 about these four hundred people. I gather you've looked at  
22 the makeup of in-migrants and that sort of field. General  
23 things like where would these people be spending their time?

24 MR. MacLEOD: I would expect  
25 most of these people to be around the Whitehorse area.

26 Q Yes, more specifically



1 than that, where would they be staying, what would they be  
2 doing during the day?

3 A Well, they'd be here  
4 looking for work. I think they would be staying in camp-  
5 grounds, the 'Y' and the hostel and some I suppose could  
6 afford a hotel room.

7 Q What does looking for  
8 work involve? How much time in a person's day would that  
9 take up?

10 A It might only take a  
11 couple of hours.

12 Q And for the rest of the  
13 day, what would they be involved in doing then?

14 A Just waiting around for  
15 the results of their job search.

16 Q Okay, so that con-  
17 ceivably, they could be on the streets, in the bars, in the  
18 campgrounds --

19 A Yes, as they are right  
20 now, or like out in front of the post office.

21 Q Right.

22 MR. BURRELL: I think you'd  
23 have to -- we talked about this three thousand level and I  
24 think you have to also consider the size of that as compared  
25 to the number of tourists that go through in a year and if  
26 my memory is right, there was over three hundred thousand



1 tourists came in last year, so I think you have to look at  
2 the three thousand in relationship to that and I would expect  
3 that many of them having looked for jobs perhaps unsucces-  
4 fully, would in fact, then ~~became then~~ normal tourist -- part of  
5 the normal tourist trade or may elect to go back south be-  
6 cause they couldn't get a job.

7 Q Yes, that's fine. I  
8 appreciate the fact of the tourists, but what I'm pursuing  
9 here is the kinds of activities that those people would be  
10 involved in over the period of -- you're making the point,  
11 several days, a short period of time.

12 What other sorts of entertainment  
13 do you suppose these people would be seeking?

14 MR. MacLEOD: I think they'd  
15 be doing the same thing as the tourist does right now, maybe  
16 wandering in the streets, taking pictures, sitting in the  
17 bar or spending their time out in the campground. I'll  
18 also add something else to what Mr. Burrell had to say, is  
19 that if three hundred thousand visitors come to the Yukon  
20 every year, it's pretty well concentrated in the summer  
21 months. So you're seeing a traffic there of maybe a thousand  
22 or more a day, which makes the speculative job seekers  
23 relatively small in comparison.

24 Q Presumably, there would  
25 be a difference in tourist traffic and people coming seeking  
26 economic gain in the sense that tourists would be financially



1 prepared to make that journey and people coming looking for  
2 work, might perhaps not be. I wonder if you could tell me  
3 approximately how many of that population might be indigent,  
4 might not have funds - they're coming looking for work,  
5 right? How many of those people would not have finances  
6 behind them?

7 A Well, I went to Fort  
8 McMurray and I was told there, that approximately four  
9 hundred people show up everyday looking for work. Then I  
10 wanted to find out if there was a transient problem and I  
11 found out that only about six or seven a week end up at the  
12 welfare office. I think that's an indication of how many  
13 people are not economically dependent -- independent rather.

14 It's a very small percentage.  
15 Usually what happens, actually in-migration problems seem  
16 to solve itself. People come, they stay around as long as  
17 they have the resources, then they leave.

18 Q You would say then,  
19 six or seven people out of those four hundred could be  
20 categorized as indigent?

21 A Yes, that's Fort  
22 McMurray experience.

23 Q What would you be  
24 expecting for that population here?

25 A I think it would be  
26 similar.



Miller, William  
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Department has an open door policy,

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generosity, I am sure that they can

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their services.

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the capacity of hostel facilities

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1  
2 written evidence.

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4 adequate.

5  
6 in my evidence. A hundred and eighty

7  
8 the month that the hostel

9  
10  
11  
12  
13 months then, there would

14  
15  
16 the current status of Whiteh

17  
18 a hundred and twenty people. The Y is experiencing finan-  
19 cial difficulties and could conceivably close after its  
20 operations.

21 Q So  
22 might not be any YWCA facilities in

23 A  
24 Q There  
25 capacity for a hundred and eighty transients during  
26 months of June, July and August, and that



1  
2 grounds.

3 Q But you would  
4 then, the overflow of that to use of

5  
6  
7 just add something on the YWCA. That's  
8 closing the YWCA.

9  
10 heard something that the rest of us have  
11 the indication seems to be that --

12  
13 at the present time of closing the

14  
15 good news to a lot of people.

16 MR. MILLER: --

17 Q So that in a course  
18 of one month the residents of Whitehorse could conceivably  
19 experience approximately three thousand people waiting  
20 work, hanging around the streets of Whitehorse, being in and  
21 out of the bars, spending what money they have --

22 A But I believe  
23 several times this morning that all of these people  
24 arrive at the same time.

25  
26 A As a maximum, we have



1 the equivalent of four hundred people a day, maximum, so  
2 don't see three thousand people in the street all at once

3  
4 point that I'm making there, sir. The point is that the  
5 residents of Whitehorse remain fairly constant. Is that not  
6 right?

7  
8 transient portion of the population here is really

9  
10 live here and work here --

11 would not -- the general effects of three thousand people  
12 over one month, the residents of Whitehorse would be having to  
13 dealing with those effects over and over and over again.

14  
15 right now they're experiencing about three thousand tourists a  
16 month, so I suppose

17 three thousand more, but I think over a sustained period of  
18 time, it's just three years, you won't be able to get that  
19 many people coming in every month. The labour pool, the  
20 transient pool in the South is just going to be drained.

21 Q Nevertheless, though,  
22 that at the peak periods of construction, people of the Yukon  
23 will be experiencing that cumulative effect. Is that  
24 correct?

25 A I didn't say it would  
26 be a cumulative effect. You'll see three or four hundred on



1 any given day but you won't see them all at once. It doesn't  
2 accumulate. It's really a matter of replenishment. Some-  
3 body comes in, can't find a job and he leaves. Someone else  
4 takes his place.

5 Q Okay, that's from the  
6 point of view of the person coming in. What I'm asking you,  
7 though, from the point of a person living and residing here,  
8 would it not be a cumulative effect?

9 A It wouldn't be very  
10 much different from the situation you have today with  
11 tourists coming and going all through the summer.

12 Q You're making, then,  
13 the assumption that the tourist population is similar, if not  
14 exactly the same as, the population of in-migrants?

15  
16 exactly the same but it is similar.

17  
18 that the effects on the residents of the Yukon would be the  
19 same?

20 A Pretty well. And,  
21 as I said earlier, my figure there of three or four hundred  
22 a day is a maximum. That's the figure I can justify just by  
23 looking at the economic realities. Really it's a maximum  
24 that would occur if the company's policies don't work. I  
25 think the company's policies will tend to alleviate the  
26 situation, reduce the number of in-migrants.



1 Q That's all the ques-  
2 tions I have. I have one further question  
3 However, I was unable to, I received the correction at noon  
4 today that Mr. Miller gave and I've been unable to obtain the  
5 data I need for the question. I wonder if I perhaps could  
6 direct it to him in the morning, if he is

7 THE CHAIRMAN: That's certainly  
8 agreeable, Ms. Macpherson.

9 MRS. MACPHERSON: Okay, thank yo  
10 Thank you.

11 MR. GOUDGE: Sir, next will be  
12 Mr. Horton for the Government of Yukon.

13 CROSS-EXAMINATION BY MR. HORTON:

14 Q Mr. Burrell, 11  
15 address my first few questions to you.

16 At the bottom of page four,  
17 carrying over onto page five, you say related to your, the  
18 information program but the program will also be geared to  
19 regional unemployment rates in Southern Canada. Now it's  
20 not clear to me, anyway, in the context, that that sentence  
21 appears, just exactly what the means of gearing is. Could  
22 you add an explanatory comment?

23 MR. BURRELL: Yes, I think that  
24 Mr. Ellwood has been more closely associated with this than  
25 I have and perhaps it would be better for him to respond.  
26



1 MR. ELLWOOD: What we're saying  
2 there, Mr. Horton, is that we intend to concentrate the  
3 intensity of the program in areas of high unemployment. It  
4 would be more likely that one would in-migrate or out-migrate  
5 from that region into the Yukon.

6 Q I see, so you will be  
7 concentrating on the Provinces where you already feel that  
8 there is a tendency for people to move out of to jobs else-  
9 where?

10 A Yes, as Mr. MacLeod  
11 pointed out in his evidence, the major source of in-migrants  
12 to Alberta at the moment is British Columbia. It also has  
13 a very high unemployment rate, so we would follow that --  
14 gear the program to the unemployment rates and the information  
15 would then be going out in areas most  
16 out-migrate from.

17 Q The areas within the  
18 Province -- getting -- ?

19 A No, this would be general  
20 Province. We're not going to regions within Provinces.

21 Q Is Foothills any further  
22 ahead in proposing a definition of Yukoner than previously?  
23 The definition that you are proposing, now it appears to be  
24 a key point in the hiring policy which you say is your  
25 policy?

26 MR. BURRELL: Yes, we've never



1 really put forward a definition of Yukoner. We said that  
2 we would look to the Government of Yukon, or perhaps this  
3 Inquiry, to come up with a definition of Yukoner. We have  
4 stressed, as have many other people stressed, the importance  
5 of having a very good definition of Yukoner.

6 Q Am I correct in suggesting  
7 that in Alaska, the local hire law had a one year qualification  
8 period? Is that what your information is?

9 A That's my understanding,  
10 yes.

11 Q And I believe from the  
12 evidence you have already given that perhaps Mr. MacLeod  
13 would like to comment on this, that wasn't particularly  
14 helpful in doing anything to decrease the amount of  
15 in-migration. Is that correct, or is it?

16 MR. ELLWOOD: I don't believe  
17 that the intention was that that one year residency was to  
18 discourage in-migration. It was to promote, if you wish  
19 the hiring of Alaskans on the job. It wasn't instituted as  
20 a discouragement for in-migration, it was to encourage  
21 people to be resident in Alaska and to encourage the pipeline  
22 company to give them preference in hiring.

23 Q So your interpretation  
24 of the Alaska policy then is that the objective of that  
25 requirement was not at all to discourage in-migration?

26 A I think it's primary



1 objective was to encourage the hiring of Alaskans.

2 Q Now is the objective  
3 of your concept of Yukoner, as opposed to somebody who isn't  
4 a Yukoner?

5 A This has to be coupled  
6 with the hiring policy of the company that non-Yukoners would  
7 not be hired here. That then becomes the discouragement  
8 for in-migration.

9 So, for your purposes  
10 those two links in your policy, that's the objective that  
11 you are suggesting. Is that correct?

12 A Yes, a definition of  
13 Yukoner coupled with our policy that non-Yukoners would not  
14 be hired here, will discourage in-migration.

15 MR. BURRELL: We have said that  
16 we will give preferential hiring to Yukoners, so the  
17 definition of Yukoner is a very important definition to  
18 arrive at.

19 Q On page six of your  
20 evidence, Mr. Burrell, you refer to --return transportation  
21 to point of hire will be provided to workers who quit , or are  
22 fired, or leave their work. What about recreation, Rest and  
23 recreation, is that also going to be the case? This may have  
24 already come out in your evidence on a previous panel, but  
25 I would like to get it clarified in the context of today's  
26 work.



1 A The present planning  
2 for the project is that there would not be any rest and  
3 recreation built into the construction phase. The rest  
4 and recreation designation I guess, arrives from the Alyeska  
5 arrangement where they worked practically -- well, most of  
6 the year, and therefore there was a need to move the  
7 people or the workers out at a certain length of time if  
8 they were on the job. From our standpoint, we're looking  
9 at construction that would last four or five months, and  
10 in many cases the workers would not be in that length of  
11 time, because it builds up and then it falls off, and people  
12 that would come on early, in most cases, would tend to leave  
13 early, so we don't have any rest and recreation built into  
14 our project at this time.

15 Q And that is solely  
16 the result of the construction scheduling that you anticipate  
17 using then. Is that correct?

18 A It's based upon the  
19 experience which is utilized in the Canadian pipeline  
20 industry.

21 Q On page seven, your  
22 fairly lengthy answer to the availability of gas in the  
23 local communities, you say that the Alberta border price  
24 in effect at the time will now be the price of the natural gas  
25 at the community town gate. What difference in price does  
26 this amount to?



1 A The difference in price from  
2 what --

3 Q This is a revision over your  
4 former evidence --

5 A Yes.

6 Q I'm wondering, first of all,  
7 whether this is less price or more price and also how to  
8 substantiate a deviation from your.....

9 A Well, it would result in a  
10 lower price to the Yukon consumer, because previously we  
11 had considered the Alberta border price as applying to  
12 main line. We now consider it to apply at the town gate  
13 so that transportation costs for the lateral had previously  
14 been included in the consumer price. Now, the arrangement  
15 is that the lateral costs would be included with the,  
16 rolled into the project, so it's a little more cost to the  
17 consumer.

18 Q Now the lateral is the length  
19 of line to go from the main line to wherever the local dis-  
20 tribution starts from, is that correct?

21 A Yes, generally the edge of  
22 the community.

23 Q Your ability to do that will  
24 be contingent upon no objection from the Americans to rol-  
25 ling over the overall cost of service for the main line.  
26 Rolling over the lateral lines into the overall costs of the



1 main line service, is that correct?

2 A It will have to be approved  
3 as the overall project, as far as we don't see any particu-  
4 lar problem. The cost involved relative to the total cost  
5 is very small. We don't anticipate any problem at all.

6 Q On page 9, in answer to  
7 question 13, Mr. Burrell, you say that "the supply of natur-  
8 al gas to industry would be outside the plan as proposed by  
9 Foothills. The supply of natural gas to each industrial  
10 customer would have to be evaluated on its own merit." I'm  
11 not sure what you're saying there, I'm sorry, but I'm not.  
12 Does that -- are you saying there that the cost figures  
13 that you have given for, in relation to households do not  
14 take into account possible industrial demand? Or, what are  
15 you saying?

16 A The calculation of the cost  
17 of gas to householders are based on residential and commer-  
18 cial requirements. As far as the industry, large industry  
19 is concerned, we've said that each of those have to stand  
20 on their own merit, which means that it's a requirement too,  
21 as you would any load assess the location of the industry  
22 relative to the main line and the demand for the natural  
23 gas and, having looked at those two, the industry then de-  
24 termines whether it's economical for them to utilize gas  
25 rather than their present source of energy.

26 A So then, in question 13, your



1 answer to question 13, you're referring to industrial users  
2 that would have their own independent lateral to service  
3 themselves, are you?

4 A Yes, generally speaking be-  
5 cause we're talking about the large industrial customers  
6 which would generally not be located in the communities as  
7 we see them.

8  
9 Mr. Miller, arising out of the  
10 questions that Ms McPherson was asking, I would like to ask  
11 you a couple of questions about the YWCA, in the context of  
12 the availability of its services for transient population.  
13 Now, assuming it were closed down, obviously those facilities  
14 would no longer exist. I suppose it's pretty well common  
15 knowledge that the Y is subject to very serious danger of  
16 closure procedures from CMHC, is that correct?

17 MR. MILLER: The Y is presently in receiv-  
18 ership, yes.

19 Q But, does that at the present  
20 time - arising out of your answer to her, to Ms McPherson,  
21 does that at the present time mean that, at all, that the  
22 Y is going to be closed down or somebody else is going to  
23 be jumping in to keep it going?

24 A Well, let me put it to you  
25 this way, there is no intention of closing the Y for the  
26 next six months and that will probably be extended for a



Burrell, MacLeod  
Cr Ex by Horton

1 year. The mortgagor has no use for the building and is  
2 likely to find some arrangement to keep it open, if at all  
3 possible.

4 Q So it's <sup>to</sup> the mortgagor's own  
5 interest to keep the building going?

6 A Certainly.

7 Q Now Mr. MacLeod, on page 2  
8 of your evidence, your answer to question 5, particularly  
9 your reference to the Syncrude project and Alberta Govern-  
10 ment planning and to federal government studies on the  
11 multiplier factor, have you simply accepted their studies  
12 or have you done additional independent studies of your  
13 own?

14

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1 MR. MACLEOD: I did some independent  
2 work in the N.W.T.

3 Q Coming to the same conclusion  
4 that they have come to?

5 A I arrived at a slightly lower  
6 multiplier for N.W.T. I figured that since the infrastructure here is  
7 more developed, there's a greater potential for secondary spin-off.

8 Q But for the purposes of your  
9 presentation today, you seem to have accepted the, particularly the  
10 Syncrude figure and the Federal Government figure for the Yukon?

11 A Well, I discussed the Syncrude  
12 figure in considerable detail with people from the Alberta Government and  
13 they were actually out counting jobs in Fort McMurray. And I also said  
14 earlier that there is some upward bias in my calculations and I think  
15 possibly the multiplier of 1.0 is definitely on the high side.

16 Q On page six and carrying over  
17 on to page seven in answer to question number nine, you refer with some  
18 detail to numerous other pipeline construction projects and possibly  
19 other industrial projects that would be going on simultaneously. Did you  
20 view them in the context of trying to answer the question of  
21 maybe all this activity going on in Western Canada and  
22 Northwestern Canada might be creating a labour shortage?

23 A I have considered that  
24 there could be some labour shortages in skilled trades.

25 Q If there is a labour  
26 shortage, is that going to tend to put any upward pressure



1 on wages for each particular project, specifically for a  
2 pipeline construction project?

3 A Well, Syncrude has run  
4 into this problem because their construction requirements are  
5 about seventy-five hundred. They had a terrible shortage of  
6 welders so they set up their own welding school. And I  
7 think they have programs in other fields as well.

8 Q Is it reasonable for me  
9 to think that maybe one result of a labour shortage induced  
10 by a large number of projects occurring simultaneously just  
11 might happen to be that one or more of the project builders  
12 are going to start bidding higher wages in order to get the  
13 labour to complete their project? Is that something that --

14 A I don't think that's  
15 in the realm --

16 Q -- within the realm  
17 of possibility, it might occur, is that correct, am I  
18 correct?

19 A I don't think so, I  
20 think that right now Syncrude is using about seventy-five  
21 hundred people in construction and that is quite large com-  
22 pared to the pipeline construction. I think the differ-  
23 ence would be enough to accommodate the other projects  
24 unless, of course, there is a third tar sands plant but I  
25 don't think that will occur before 1981. Actually, the  
26 final decision hasn't even been made yet, so I think possibly



1 this pipeline could arrive at perhaps at the right time to  
2 absorb the slack resulting from the layoff at Syncrude.

3 Q I see.

4 Over on page fifteen, in answer  
5 to question nineteen you state that it is my understanding  
6 that there is sufficient slack in the local rental accommoda-  
7 tion market and enough lots presently under development to  
8 meet this demand.

9 I'm curious. That's a conclu-  
10 sion. Do you have the figures available:

11 A Yes, yes.

12 Q Are they readily enough  
13 available that you could recite them right now, so they  
14 could be in the evidence?

15 A Yes, according to my  
16 information there's about a hundred and thirty-six rental  
17 units which are vacant right now and about six hundred and  
18 ninety-one lots which are under development. That gives you  
19 a total of eight hundred and twenty-seven.

20 Q Now that phrase 'under  
21 development', what does that mean in the context of that  
22 figure? Does that mean that they've been surveyed or does  
23 it mean -- perhaps, Mr. Miller, if you know, you could answer.  
24 Does it mean that they've been surveyed or that the services  
25 are in?

26 MR. MILLER: They're in various



1 states of development at the present time and some of them  
2 have just been sold recently. The forty-three lots in  
3 Riverdale, there's two hundred and thirty-six lots just  
4 being completed in the Takini Mobile Trailer Park, there's  
5 the Macpherson Subdivision which has just been completed;  
6 there's another ninety-one lots being completed in Riverdale;  
7 there's some being developed in Crestview and some in Porter  
8 Creek. So these are in the active development stage or are  
9 just being completed.

10 MR. HORTON: Mr. Chairman, I  
11 think those are all of the questions I have although I can't  
12 resist the opportunity to finish by suggesting to Mr. MacLeod  
13 or asking Mr. MacLeod, particularly in view of the fact that  
14 I'm a Maritimer who hasn't worked there for a good many years,  
15 why he says that these Maritimers have a general aversion to  
16 mobility.

17 MR. MacLEOD: Well, the federal  
18 and provincial governments have tried various policies to  
19 centralize economic development in the Maritimes, close  
20 down small communities and move people to the large centres  
21 and this has been thoroughly abandoned because most people  
22 didn't seem to want to move. I also pointed out in my  
23 evidence that I met many Maritimers in Fort McMurray so it  
24 seems they're prepared to move if there's a job lined up in  
25 advance but I also observe that many eventually return to the  
26 Maritimes.



MR. HORTON: That's all I have.

THE CHAIRMAN: Thank you, Mr.

Horton. Mr. Goudge, who's our next?

MR. GOUDGE: The next, sir,  
would be Mr. Morrison for the Chamber of Commerce.

CROSS-EXAMINATION BY MR. MORRISON:

Q Thank you, Mr. Chairman.

Mr. Burrell, just to follow up  
some questioning that Mr. Horton just made, the definition  
of Yukoner, is it my understanding that you don't propose to  
put forward any kind of a suggestion as to what the defini-  
tion of a Yukoner, for the purposes of pipeline employment,  
should be?



1 MR. BURRELL: No, we haven't  
2 put forward one as I was mentioning before. We thought it  
3 most appropriate that perhaps the Government of Yukon or  
4 perhaps this Inquiry would put one forward rather than  
5 ourselves.

6 Q In other words then,  
7 you're prepared to leave it to the government and live by  
8 whatever definition that they might suggest, if in fact,  
9 the Inquiry itself chose not to make such a definition?

10 A If it seemed approp-  
11 riate that that would be the proper body to make such a  
12 definition. I understand that there is some -- perhaps Mr.  
13 Miller could elaborate on this -- but there was a motion put  
14 towards the Legislative Assembly I believe, saying that the  
15 definition of a Yukoner should be developed. Perhaps Mr.  
16 Miller might want to elaborate on that.

17 MR. MILLER: I think that motion  
18 was put and I think that Foothills was wise in this decision,  
19 not to take a definition if you like. I think the govern-  
20 ment are the appropriate body to do so.

21 Q Mr. Chairman, in the  
22 questioning, this may not be proper as far as format is  
23 concerned, but this definition question concerns me a little  
24 that perhaps everybody is just going to leave it to every-  
25 body else to do and perhaps nobody will ever get around to  
26 doing it within the next little while.



1 I think it's rather important.

2 Now, I don't intend to question the Board as to whether  
3 it's going to suggest a definition or not, but perhaps some-  
4 one may pick up the suggestion that the Territorial Govern-  
5 ment -- I wouldn't like to leave it to the Legislature to do.  
6 They haven't done anything else about the pipeline, so you  
7 know, --

8 MR. ELLWOOD: Perhaps Mr.  
9 Morrison, it would be appropriate if the Chamber of  
10 Commerce were to make a suggestion for us.

11 Q We already have given  
12 you a suggestion and we'll be glad to let our suggestion  
13 stand. I think though, and perhaps Foothills are right,  
14 that they don't make the definition. My concern is that  
15 the government, who may be the ones who should do it, won't  
16 do it and that's all I have on that, Mr. Chairman. I just  
17 have a few more questions.

18 Mr. Burrell, industrial customer?  
19 Are we talking about the same definition as perhaps would  
20 apply in terms of an electric utility? There's quite a  
21 distinct difference between a commercial and an industrial  
22 customer?

23 It may be easier Mr. Burrell --  
24 what is your definition of an industrial customer?

25 MR. BURRELL: Well, there's --  
26 you know, there's residential and commercial. I think those



1 are pretty well understood. Industrial is a -- such as a  
2 mine perhaps is a definition, sure. Along those lines as  
3 what an industrial customer is. I think that's probably in  
4 Yukon -- that's probably a good example.

5 Q Okay. Then just to  
6 clarify -- really what you were saying before in your  
7 evidence on Page 9, you're talking about the provision of  
8 gas in industrial customers, we're talking about providing  
9 gas to Cyprus Anvil or somebody like that or Cassiar who are  
10 quite a distance from the main line itself.

11 A Any customer that would  
12 not fall into residential and commercial by definition,  
13 would be, I guess, industrial and that's what we mean by  
14 the industrial load. Mr. Ellwood suggested a customer  
15 that used gas in processing or manufacturing as a definition  
16 of an industrial customer. Like Cyprus Anvil who use coal  
17 for drying purposes and so on. That would be an industrial  
18 customer.

19 Q Yukon Electric would  
20 be an industrial customer?

21 A Well, we've said that  
22 -- we've said in here that the main purpose of the policy  
23 is to reduce the cost of energy to residential and  
24 commercial customers and we've made the note here that our  
25 policy would also include the supply/ <sup>of</sup> natural gas used in the  
26 generation of electricity to serve these two categories of



1 customers.

2 Q Okay.

3 A So that's the purpose  
4 -- the real purpose of the policy.

5 Q Okay, that's fine.

6 The question that comes to mind, perhaps Mr. Burrell, you  
7 might answer this. It was a question that was put to Mr.  
8 MacLeod. We're talking about shortage of skill trades.  
9 Would the contract that you would intend to negotiate with  
10 the pipeline unions, would not be a one year contract,  
11 would it?

12 A No, you're talking  
13 about the project agreement? The project agreement would  
14 be to cover the project over -- the construction of the  
15 project from the beginning to its completion.

16 Q So this, when we're  
17 talking about actually becoming competitive bidding on  
18 wages for skilled trades, that would -- in the questioning  
19 Mr. Horton was directing to Mr. MacLeod, would this cover  
20 that? Would that eliminate that would you think?

21 A I'm not quite sure I  
22 understand the question.

23 Q Mr. Horton suggested  
24 to Mr. MacLeod, that perhaps with all these projects going  
25 on, there may be a shortage of skilled trades and that that  
26 therefore, might lead to the unnecessary raising of wage



1 rates to attract skilled trades.

2 A Well, the negotiation  
3 for wage rates is done between the contractors and the  
4 unions and it's a normal process. They take into consider-  
5 ation, the factors that apply at the time, so these  
6 negotiations are between the unions and the contractors.

7 Q One more question.  
8 Foothills will have some in-house training programs as far  
9 as pipeline employment is concerned?

10 A Yes, we have -- we  
11 participate in and actually, I guess, initiated what is  
12 known as the Nortran Program now. It wasn't called that  
13 back in the 1970's -- 1970 -- but yes, we will. We've made  
14 that as part of our policy positions that we will provide  
15 training in the O & M phase.

16 Q Good, thank you, Mr.  
17 Burrell.

18 MR. GOUDGE: Thank you Mr.  
19 Morrison. Next will be Mr. Joe, the Council for Yukon  
20 Indians.

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A . . . That's a matter that certainly we have been well aware of, and perhaps here again Mr. Ellwood could speak to what has been done and what



1 is being done in that area. It is a concern, yes.

2 MR. ELLWOOD: Well, there has  
3 been some indication recently that people are being  
4 encouraged to move from southern Ontario up here, and we  
5 are attempting to monitor this situation and to see what, if  
6 anything, need be done about it at the time. There's no  
7 decision taken on the matter yet.

8 Q But Foothills isn't  
9 contemplating some action along those lines, is that correct?

10 A We're looking into the  
11 need for some action. It is not apparent at this time that  
12 there is any need, that's why we haven't taken any action.  
13 But, if the situation should require it, we will do something  
14 to alleviate that situation.

15 We have discussions with the  
16 Territorial Government, Canada Manpower, and the R.C.M.P.  
17 with respect to what is going on at the moment, and there  
18 doesn't appear to be any need right now to take any further  
19 action.

20 MR. BURRELL: But we're monitoring  
21 the situation. I think that we have to say that we are  
22 monitoring the situation and that, as John mentioned, we  
23 have had discussions with the Territorial Government and  
24 with the R.C.M.P. about the matter and we're monitoring it  
25 internally. We're prepared to take steps as necessary  
26 in light of what we find out from the R.C.M.P. and in our



1 discussions with the Territorial Government.

2 Q Now, Mr. MacLeod, I  
3 believe you made the distinction of two labour pools existing  
4 in the Yukon. One a mobile white labour pool, and the other  
5 an immobile native labour pool. Is that correct?

6 MR. MACLEOD: Yes.

7 Q And if I may just extend  
8 that a bit further, with the advent of mobile white labour  
9 pools do you see an accompanying -- some accompanying skills  
10 with the mobile white labour pool, which would, in fact,  
11 displace the unskilled labour -- the native labour pool which  
12 presently exists?

A That could happen, except,  
14 I believe, the applicant has what will demonstrate some kind  
15 of priority for the native labour.

16 Q In fact, there would be  
17 a competition between the unskilled native labour pool with  
18 the mobile white labour pool. Is that correct?

A Well, the company will  
have a policy of priority hiring of local people. If you  
take both local labour pools, it still will be insufficient  
to meet overall requirements.

21 Q And Foothills has stated  
24 previously that there will be six hundred Yukoners hired on  
25 the pipeline project, and perhaps the panel tomorrow will  
26 be addressing this question, but if I may put it, how many



of those six hundred Yukoners will be in fact native peoples?

A Well it's my understanding that there is a maximum of about two hundred mobile natives who could work on the project.

Q Mobile natives, you mean natives from outside of the Yukon?

A No, within the Yukon, but who are prepared to leave their existing community to come to work on the pipeline. The others would want to stay in their own community.

Q I see, and what is the source of your research which would indicate the two hundred mobile native workers/who would in fact get jobs on the pipeline?

A Well, I received that information from the Territorial Government.

MR. BURRELL: Could I add something to this, Mr. Joe. You indicated we would hire six hundred. I think the point there really is that in our analysis that it appears that six hundred would accept jobs, and there is a potential for six hundred to take jobs on the pipeline. I think if you look at the number of jobs that could be filled by Yukoners, it's more than that. The point is that in the analysis that has been done, it's been estimated that there would be six hundred Yukoners to take the jobs, although there are more opportunities that would be available if more Yukoners



1 were interested. I think as far as how many natives, I  
2 think that is a difficult question to answer. Natives or  
3 Yukoners in total, I think it depends upon how many are  
4 really interested too. I think that's an important factor,  
5 and it's difficult at this time to say how many would take  
6 employment and how many wouldn't, and in what areas they  
7 would take employment. But certainly the opportunities are  
8 there, if they want to do that.



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1 Q I wonder if I could ask Mr.  
2 MacLeod if I can get him to enunciate as to who in the Yukon  
3 Territorial Government that you spoke to that which gave  
4 him the figure of 200 mobile native people who would work  
5 on the pipeline?

6 MR. MacLEOD: I received that figure  
7 from the Territorial Employment Officer.

8 Q Now, if I may again use the  
9 difference between the immobile native pool and the mobile  
10 white labour pool and, I take it from that, that in fact there  
11 are two different sub-cultures in the Yukon, is that cor-  
12 rect?

13 A I don't know if I want to  
14 call them sub-cultures. Two different cultural groups.

15 Q And, from those two different  
16 type of cultural groups, could you tell me what those two  
17 cultural groups would be?

18 A Well, basically native and  
19 non-native, but you can have sub-groups there, too.

20 Q And, this question would be  
21 directed to Mr. Burrell. If he can - given that there are  
22 two different cultural groups in the Yukon, has there been  
23 an assessment made or a summary assessment of the potential  
24 impact against the Indian culture in the Yukon?

25 MR. BURRELL: We certainly looked  
26 at the, we certainly looked at the Yukon as a whole and in



1 doing that we considered the, we've considered the native  
2 portion of that. Our analysis has generally been on a re-  
3 gional basis. What we've attempted to do in our project is  
4 to anticipate what the concerns that people have, with  
5 respect to the project and then also experiences learned in  
6 Alyeska and other construction projects and develop policies  
7 which tended to minimize those. That's the approach  
8 that we have taken.

9 Q I see, so you've made a  
10 distinction for the labour part of your project, but you  
11 have not made a distinction for the impact part.

12 A Labour -- I'm sorry, I --

13 Q Between the mobile white  
14 labour pool and the immobile native labour population.

15 A Perhaps Mr. MacLeod could  
16 answer that. Our policies are directed toward preferential  
17 hiring of Yukoners and we have always addressed the situation  
18 of a Yukoner, there's no doubt about that that the native  
19 people are Yukoners and will be Yukoners regardless of what  
20 definition. We have not in our policies made, differentiated  
21 within the category which would be known as Yukoner. As  
22 far as we're concerned it's a preferential hiring in the  
23 case of employment for Yukoners. We have not tried to split  
24 it out. I think Mr. MacLeod is, has probably in his work,  
25 in trying to assess the in-migration and so on, has felt it  
26 necessary to sub-divide or to divide the Yukon population,



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1 but certainly as far as our policies are concerned, they  
2 are directed toward preferential for Yukoners.

3 MR. MACLEOD: It has been my obser-  
4 vation in the North that non-natives originating from outside  
5 the Territories, gravitate towards the predominately white  
6 communities and have very little impact on the native com-  
7 munities. They simply don't want to settle there, so to that  
8 extent, the impact is greatly reduced.

9 Q I see, so ---

10 A And I said in my evidence I  
11 think that I expected 75 per cent of the in-migrants to  
12 settle in Whitehorse, which is already predominantly white.

13 Q Yes, would you agree with me  
14 that, given the amount of in-migration and given the fact  
15 that native people generally occupy the bottom ring of the  
16 social stratification in the modern society, would you agree  
17 with me that, if, in fact, there's increased in-migration,  
18 then the people who are at the bottom end of that ring will  
19 suffer the greatest squeeze when it comes to availability of  
20 social services?

21 A Well, I don't think I can  
22 agree with that, because back in the early 70's, there was  
23 a lot more employment opportunities available in Yukon and  
24 a lot more natives worked at that time. They took advan-  
25 tage of these opportunities and I think they were in a bet-  
26 ter position then than they are now, but since 1972, employ



1 ment opportunities have decreased in the Yukon, so less na-  
2 tives are succeeding in obtaining employment, so their  
3 position has deteriorated relative to the early 1970's.

4 Q I see, so then you're saying  
5 that when it comes to urban housing for natives who will be-  
6 come acculturated and move to the city of Whitehorse, that  
7 when it comes to urban housing, the availability of low cost  
8 housing, the native people who migrate here would not have  
9 to compete with the transient, mobile white labour pool who  
10 comes to Whitehorse.

11 A They would still have to  
12 compete. I would -- it seems to me that they probably com-  
13 peted more successfully back in the early 1970's than they  
14 are now.

15 Q And would that trend contin-  
16 ue with the advent of the construction of a pipeline in the  
17 Yukon?

18 A I think there's a good chance  
19 that history would repeat itself. That there'd be more  
20 opportunities and more natives would succeed in capitalizing  
21 on these opportunities and they therefore could be better  
22 off.

23 Q Well, let's take one specific  
24 example, let's take the aspect of education. You're telling  
25 me that education and native education will be less impacted  
26 with in-migration, due to the fact that the mobile white



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1 transients will tend to settle in white communities, is that  
2 correct?

3 A Yes.

4 Q And by settling in white  
5 communities they will have little impact on schools which  
6 have a great majority of native students there?

7 A Yes, these in-migrants would  
8 have a lot of impact I suppose on a Whitehorse school system and a lot  
9 less in Teslin.

10 Q And you would also agree  
11 with me that a Whitehorse is in fact the legislative capi-  
12 tal of the Yukon?

13 A Yes.

14 Q And that the Yukon Territor-  
15 ial Government has an overall consistent educational policy.  
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1 A Yes.

2 Q And that, if in fact  
3 the education policy in a town like Haines Junction is sub-  
4 ject to the philosophical pressure which is placed on it  
5 by in-migrant Southerners, that there is a possibility of  
6 Northern training programs or native education curriculum  
7 will in fact be displaced by the Southern philosophies which  
8 accompany the Southern migrants?

9 A I think that the  
10 population increase that I project is not going to have that  
11 much impact, it's not enormous compared to previous popula-  
12 tion increases which have occurred in the Yukon.

13 Q But the possibility  
14 of educational philosophical change does exist though, with  
15 the increase of in-migrants in the Yukon?

16 A Yes, but as I said  
17 this morning, some of the in-migrants are romantics who  
18 might go along with philosophies favouring native education,  
19 or giving natives a greater say in education.

20 Q But the construction  
21 workers who get jobs on the pipeline and should they bring  
22 their children, I realize that Foothills states that in all  
23 likelihood they won't be bringing their dependents because  
24 of their single status basis, but should they bring their  
25 children that will in fact increase the pressure for educa-  
26 tional philosophical changes along Southern in-migrant values.



1 A Yes, that tendency  
2 would exist but then we don't believe that these construction  
3 workers will bring their children, so the problem won't be  
4 there. I've seen Alaskan experience and also Fort McMurray  
5 and the construction workers, in general, didn't bring their  
6 children, didn't bring their families.

7 Q And following that  
8 line, you would also say that traditional native hunting  
9 areas and fishing areas and trapping areas will also be,  
10 will not, in fact, be affected by in-migration?

11 MR.BURRELL: You're saying as a  
12 result of construction -- you're saying that the hunting and  
13 trapping facilities or areas will not be affected, is that  
14 what you're saying? Perhaps you could repeat the question  
15 again, if you wouldn't mind?

16 Q Well, as I recall,  
17 Mr. MacLeod stated that mobile white transients will settle  
18 in white communities and that this will have little or no  
19 impact on native communities and he expressed that there  
20 would be competition for urban housing between natives and  
21 the transient whites and that there's a possibility of  
22 competition in the educational sphere of philosophy. My  
23 question is, following that line, if, in fact, there is little  
24 or no impact due to the settling of transient whites in  
25 these communities, what, if any, impact would they have on  
26 the traditional occupations of hunting, fishing and trapping?



1 MR. ELLWOOD: I think, Mr. Joe, to  
2 the extent that people reside here in the Yukon and work on  
3 this project, the numbers that come in from outside, if you  
4 will, during the operation and maintenance phase, I could  
5 foresee that certainly some of them will be fishermen and  
6 will want to fish. As long as they meet the --- have a  
7 fishing license from the Y.T.G. they would be fishing to that  
8 extent they would be perhaps utilizing a resource which  
9 native people also use. To what extent has not been addres-  
10 sed in this inquiry. That is being handled by our environ-  
11 mental people before the EARP Inquiry. I really don't have  
12 any information with me as to what extent or what the effect  
13 of additional people using or living in the Yukon would be  
14 on environmental matters.

15 Q So to summarize, then,  
16 the Foothills has not made an individual assessment for  
17 possible socio-economic impact due to in-migration for  
18 native people?

19 MR. BURRELL: No, as I said earlier,  
20 what we've done we've looked at the situation on a regional  
21 basis, we've studied the ALYESKA, we've studied the other  
22 projects, we've developed policies which in our opinion have  
23 are designed to minimize these impacts. We've gone to the  
24 -- we've talked to a number of people in the communities,  
25 we've talked to native people in the communities, we've  
26 gone to the community hearings of this inquiry and we be-



1 lieve that the policy positions we put forward are valid  
2 and that they will work towards minimizing the impacts that  
3 this pipeline could create.

4 Now, we're not saying that we've  
5 done everything that is absolutely necessary to be done,  
6 there will be other work done as the project proceeds but  
7 certainly from our standpoint and -- we believe that at this  
8 point in time that the project is at that, adequate, more  
9 than adequate, assessment of the socio-economic impacts  
10 potential have been done. There are a number of detailed  
11 areas that will be required to get into but we feel that  
12 that's more properly done at the time when the permit is  
13 issued.



Q So, in fact, what you are telling me is that if in fact there is a special need for an impact study for native people, it would be done after Foothills has a permit to construct the pipeline?

A We would be expanding our program and looking at the detailed situation. We would be developing the procedures that are necessary to put our policy positions into place. There will be more studies done. It's the case of working with the appropriate government agencies and other groups to be assured that the project moves forward and takes into consideration, I think the details that you and others have raised.

Q If I can move on to another area - natural gas to communities. I dwelled on this area previously in respect to the socio-economic panel, and I, as I recall, Mr. Burrell, you stated conversion from oil to gas would cost approximately five to six hundred dollars. Is that correct?

A In that range, depending upon the type of equipment that is in the house at the time.

Q What would the assessment be if in fact a native person who owns a wood burning stove be for him to convert from wood to natural gas if he so desired?

A The numbers on -- it would be more than that. You would have to buy a new stove



1 I was looking at -- I have some numbers on what has been  
2 estimated to be the cost of converting to gas, it was  
3 necessary to buy -- to purchase a new stove. I have those  
4 numbers, I can look them up if you like?

5 Q Would it take you very  
6 long to look them up?

7 A I hope not. I think I  
8 can find them. We said the replacement of an existing oil  
9 space heater, that means a new unit, we're talking somewhere  
10 in the neighbourhood of six hundred dollars. Replacement of  
11 an oil furnace, we're talking somewhere in the neighbourhood  
12 of eight to nine hundred dollars, somewhere in that order.

13 That's at the time that natural  
14 gas would become available, so they have been escalated from  
15 today's prices.

16 Q So, it would mean a  
17 conversion cost of approximately eight to nine hundred dollars,  
18 plus the yearly cost of --

19 A If you are putting in a  
20 furnace, or something less than that, if you were just putting  
21 in a space heater.

22 Q I see. So it would be  
23 anywhere between four to nine hundred dollars, depending on  
24 the type of stove one would require?

25 A I think that might be  
fair, yes.



Q And on top of that there would be an annual fuel cost of natural gas as well, which is anywhere from -- what is the cost at Burwash, did you say, sixteen hundred dollars a year?

A I'll have to look that up. You pay for the gas, there's no doubt about that, and then you pay for it, under our plan, on the basis of our method of calculation which is the Alberta border price in effect at the time plus the cost of taking it to the end user, which is really the cost of the distribution system.

Q So, it would range from \$1,418. to approximately two thousand -- ?

A I'm sorry, I don't know where you have those numbers from?

Q Table 5A - 6.1A.

A Oh, okay.

Q I'm taking the sample here from 1986, the lowest one you have got there is fourteen eighteen? The highest up there is \$2,086. for Watson Lake --

A Yes, right.

Q -- annual cost per household.

A That's for fuel oil. That's the estimated cost if you utilize fuel oil. The estimated cost if you use a natural gas is, I guess, it's about column five, yes. Annual cost per household for natural gas, and in



the case of Watson Lake, it's estimated at \$1,462. as opposed to \$2,086. if you use fuel oil which results in an annual saving, based upon our forecasts of somewhere in the neighbourhood of six hundred twenty-five dollars.

Q So, over and above the cost of conversion, anywhere between four to nine hundred dollars, one would have to pay approximately, at least one thousand dollars a year for natural gas as well?

A You would have to purchase the gas, yes. Right. And the point we're making here though is that if you do in fact convert, and if you are in fact using fuel oil, and I recognize that in Burwash and Upper Liard they use wood, but if in fact they were using fuel oil in, for instance, Watson Lake, then there is a six hundred and twenty-five dollar a year incentive to convert to natural gas according to our forecasts. So, we're satisfied that that's enough of an incentive to have people convert and pay the conversion costs.

I think there was a point raised by Mr. Bayly earlier today, and he said there was some cost associated with providing education for potential natural gas consumers, and there is, but that's normally a cost which is absorbed by the distribution company. Of course, we have made the statement that we would assist in providing information where it was practical to do so, to provide information to potential consumers so they have gained



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1 knowledge on the usage of natural gas.

2 Q I see. So, then because  
3 of the fact that, as you stated earlier, that Foothills has  
4 not seen the necessity of doing a separate impact study for  
5 native people, then you would not know the yearly annual  
6 income for an average Indian family in the Yukon?

7 A Well, we have done a  
8 study on the cost of natural gas to Burwash. It isn't in  
9 this table, because in the table we filed in our socio-  
10 economic statement included just the six communities that  
11 are shown here, but we did do some work on Burwash, but as  
12 we mentioned in previous discussions, a comparison of natural  
13 gas saving to fuel oil in this case of Burwash is not valid  
14 because of the fact that they use wood.

15 Certainly, if the wood is obtained  
16 at very low cost, there wouldn't be any incentive to  
17 convert to natural gas, but in our calculations for those that  
18 use fuel oil, the incentive certainly appears to be there  
19 from our forecasts.

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1 Q I see, and the other  
2 point I think Mr. Burrell, to recognize, is that if in  
3 fact, the conversion costs, plus the annual cost of paying  
4 for the gas is sufficiently high --

5 A Yes.

6 Q -- as to constitute  
7 approximately anywhere from twenty-five to fifty per cent  
8 of the total annual income of an average Indian family,  
9 then the conversion to natural gas is highly unlikely?

10 A Well, nobody is going  
11 to convert to natural gas if, in fact, or any other fuel  
12 oil for that matter, if in fact, the cost of the present  
13 energy source is lower than a newly proposed source.

14 Q So, taking that then,  
15 the Indian people in Burwash who constitute the majority  
16 of the community, would probably turn down the offer to  
17 use natural gas?

18 A Well, I think that's  
19 difficult to say because we're looking at 1981 or beyond  
20 and conditions do change. It may very well be that at  
21 that point in time, the use of natural gas may be very  
22 attractive. I'd say based upon what is being experienced  
23 today, and if natural gas was offered, I'd agree with you,  
24 but five years from now, it's difficult to say really,  
25 what the decision might be.

26 Q That concludes my



1 questioning, Mr. Chairman.

2 MR. CHAIRMAN: Thank you Mr.  
3 Joe and I think before turning to the next participant  
4 for a couple of questions, we'll now take our afternoon  
5 break.

6 (PROCEEDINGS ADJOURNED).

7 (PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT).

8 MR. GOUDGE: Yes Mr. Chairman,  
9 members of the Board, if we could continue with the  
10 participant's cross-examining, just to call out several  
11 others who I think are not present, but just in case they  
12 are -- the Transportation Association, Yukon Association  
13 of Municipalities, the City of Whitehorse, the Chamber  
14 of Mines and the Alaska Highway Pipeline Panel all appear  
15 not to be here. That would bring us to Mr. Marshall for  
16 Canadian Arctic Gas.

17 MR. CHAIRMAN: Mr. Marshall?

18 MR. MARSHALL: I should say at  
19 the outset, Mr. Chairman, that I will have more than a few  
20 questions.

21 CROSS-EXAMINATION BY MR. MARSHALL:

22 Q I'd like to start Mr.  
23 MacLeod, with you sir, if I may. If you turn to Page 9  
24 and Page 10 of your testimony, in answer to question 13,  
25 you deal with this question. Do you not think that your  
26 estimate of 401 speculative job seekers is unrealistically



1 low? Now, do I understand correctly that from what  
2 you've said today, that that figure should be 410 and not  
3 401?

4 MR. MACLEOD: Yes, it's 410.

5 Q Now sir, in giving  
6 the answer in your testimony to that question, you point  
7 out that the 410 is not the total number of in-migrants  
8 you foresee. If I understand correctly, it does not  
9 include those who do obtain employment?

10 A Those 410 are over and  
11 above the people who obtain employment.

12 Q Right. How many in-  
13 migrants do you estimate would obtain employment, would  
14 come into the Yukon and obtain employment here? I'm  
15 looking for a number in addition to this 410 that you in-  
16 dicate do not find jobs.

17 A In my table for example  
18 in 1980, I give a total number of jobs as three thousand  
19 and five, so the jobs -- the portion of those jobs which  
20 are not filled by locals would be filled by people from  
21 the outside.

22 Q Well sir, do you have  
23 a figure for it?

24 A Well, I estimated that  
25 six hundred local people could obtain employment. That's  
26 an estimate, of course, so the difference between six



1 hundred and three thousand and five would be the number of  
2 in-migrants -- in-migrant workers.

3 Q About twenty-four  
4 hundred?

5 A Roughly, yes.

6 Q Is that expressed in  
7 man year equivalents, that twenty-four hundred?

8 A Well, actually the  
9 twenty-three hundred and eleven jobs for example in 1980,  
10 that's a peak figure. In terms of man years, it's less  
11 than that.

12 Q I see. Do you know  
13 what it is in terms of man years?

14 A No I don't.

15 Q The other figure that  
16 you're talking about, the four hundred and ten, you make  
17 it clear that you're talking about man year equivalents  
18 there?

19 A Yes. I also stress  
20 that that is a maximum. I don't think that maximum could  
21 be sustained for three years because you'd run out of  
22 people.

23 Q Well sir, you don't  
24 say that in your testimony. You say on the top of Page 10,  
25 "In that sense, my estimate really amounts to a man year  
26 equivalent."



1 A It is, yes, but it's  
2 also my maximum estimate.

3 Q Well, we'll get to that  
4 in just a moment. Perhaps I could go at it step by step.  
5 To begin with then, the four hundred and ten is not the  
6 total number of in-migrants that you foresee. There will  
7 be in addition, a number of in-migrants who do obtain  
8 jobs and you don't have that in terms of a total man year  
9 equivalent. You have it as approximately twenty-four  
10 hundred peak jobs. Is that correct?

11 A Yes, but I'd like to  
12 return to what I said this morning. I said that an in-  
13 migrant is someone who leaves up his residence outside of  
14 the Yukon, so some of those people -- some of those  
15 twenty-four hundred people are not really in-migrants.  
16 They will be in camps but they will not be in-migrants to  
17 the Yukon.

18 Q I see, so what you want  
19 to -- take away then, all but the six hundred that you  
20 spoke of who would come in and take jobs that had been  
21 held by Yukoners who moved on to work on the pipeline?

22 A Well in 1980 for  
23 example, I give the total increase of people in towns of  
24 seven hundred and thirty-nine. Those are genuine in-  
25 migrants.

26 Q That's based on the



1 six hundred figure plus some multiplier, is it?

2 A Yes.

3 Q For dependents?

4 A Yes. Excuse me, the  
5 dependents have not yet been added in. They'd be 739 plus  
6 the dependents which gives you 2263.

7 Q I see. Well, let's  
8 concentrate then on this area of the speculative job  
9 seekers, the 410 man year equivalent. How many of those  
10 would be bringing their dependents?

11 A Very very few. I make  
12 a reference in some of my evidence somewhere. I said in  
13 my evidence that I've allocated a half a dependent for  
14 each one of these speculative job seekers.

15 Q So we can add another  
16 205?

17 A Well, I've done it in  
18 a table -- 410 plus 205.

19 Q Okay.

20

21

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26



1 Q So we have 615 in-migrants,  
2 speculative job seekers, plus their dependents?

3 A No, the dependents are in-  
4 cluded.

5 Q Yes, the 615 includes the  
6 job seekers and their dependents?

7 A Yes.

8 Q Right. And that, as you say,  
9 is expressed in man year equivalents? Now, sir, I'm not  
10 sure I understand that term completely and I wonder if  
11 you'd bear with me while I try to work it out with you as  
12 to just what it means? You take 410 and you're talking in  
13 terms of man year equivalents, that would be - you would  
14 multiply it by 365, would you not?

15 A I wouldn't do that, no, be-  
16 cause I'm saying that this here is a maximum and I don't  
17 think that maximum rate can be maintained for the entire  
18 construction phase.

19 Q Well, let me put it to you  
20 this way, sir. You start off saying that you're dealing  
21 with this question, do you not think that your estimate of  
22 401 speculative job seekers is unrealistically low? You  
23 say, no, actually this figure of 401 is not the total num-  
24 ber of in-migrants that I foresee and then you go on to  
25 explain that it is really a man year equivalent that you've  
26 used. Let me put this example to you, sir, and see if it



1 if I'm right, if it helps clarify my understanding of it at  
2 least. If Mr. Carter said to Mr. Trudeau we want to send  
3 400 American soldiers into Canada and Trudeau responded and  
4 said, well, 400 individual U.S. soldiers is not that signi-  
5 ficant. But then Carter said, well, actually 401 is not the  
6 total number of soldiers that I foresee. I'm talking about  
7 man year equivalents instead. And Mr. Trudeau did his math-  
8 ematics and found that if they stayed for a month that would  
9 be 12,160 and they stayed for a day that would be 146,000  
10 soldiers. See, what I get ---

11 A No, I don't see your point,  
12 really.

13 Q If you have an average of  
14 401 men in a day and they all only stay one day, then in  
15 that one day, if you have 401 an average and each average  
16 day through the year, 365 days, you got to multiply it by  
17 365.

18 A Yes, except I've said ---

19 Q Four hundred times 365.....

20 A It's something that I have  
21 said in various places in my evidence. I've said at vari-  
22 ous places in my evidence that this is an upward limit,  
23 there's upward bias in my evidence and here's really a  
24 peak. I don't think that number of people can be maintained  
25 all year. Right now you have many speculative job seekers  
26 coming to Whitehorse and many of those people are students.



1 So you have a very high rate during the summer, it's cer-  
2 tainly going to fall off during the winter. But I'm saying  
3 because you might have 400 people here for three months of  
4 the year, you have to provide for that all year round.  
5 Just like in the tourist industry, we have maybe 20 hotels  
6 in Whitehorse right now, it's to cater that peak demand  
7 that the capacity is installed for the entire twelve months.

8 Q But, Mr. MacLeod, if you  
9 talk about one man year equivalent, that's one man year  
10 365 days, that's what it means.

11 A That's what it means, but  
12 I've taken that figure....

13 Q Well, that's your peak.

14 A ...because that's a peak.  
15 Yes, that's the peak and has to be provided for all year  
16 round. You can't set up a hotel for three months, like  
17 in the tourist industry, it has to be around for twelve  
18 months, so it's as if those people are around all year.

19 Q You've gone on to talk about  
20 the arriving throughout the construction phase, and I take  
21 it that you're assuming that there are going to be arrivals  
22 throughout the year. These people are going to be spread  
23 throughout the year.

24 A Yes, they will. They're  
25 not all arriving at once.

26 Q And you're understanding



1 is that there's going to be construction going on both in  
2 winter seasons and in summer seasons on this project.

3 A Yes. But this, I'd like to  
4 get back to this again, that 400 figure is a maximum and it  
5 was derived, based on my consideration of the economic fac-  
6 tors affecting in-migration, but to the extent that the  
7 Applicant's policies are effective this maximum will not  
8 be reached.

9 Q But, Mr. MacLeod, you didn't  
10 say that in your evidence. You said "my estimate really  
11 amounts to a man year equivalent." Now, if it's going to  
12 be 401 man year equivalents, if you're going to gain on  
13 one side, you're going to lose on the other side. How many  
14 total numbers of speculative job seekers do you think are  
15 going to come into the Yukon? Now, you've told us about  
16 them staying a couple of days, how many do you think are  
17 going to come in total?

18 A I can't really say.

19 Q You can't really say.

20 A I went to Fort McMurray and  
21 during the peak period, they received approximately 400  
22 people a day, but this is very seasonal, it falls off in  
23 winter. And furthermore, when the pipeline is under con-  
24 struction, there'll be simultaneous construction taking  
25 place elsewhere along the route. That factor does not --  
26 is not in effect right now, affecting the Fort McMurray



1 operations.

2 Q Four hundred a day at Fort  
3 McMurray.

4 A Yes.

5 Q And as I understand it with  
6 Syncrude, they do their hiring in Edmonton?

7 A Yes.

8 Q They have a southern hire  
9 policy, if you like?

10 A Yes.

11 Q So much as Foothills (Yukon)  
12 hopes to employ?

13 A Yes.

14 Q And even so, you have 400  
15 a day making the trek down that several hundred miles of  
16 gravel road to Fort McMurray to try to get a job on specu-  
17 lation?

18 A Yes, it's a very short dis-  
19 tance from Edmonton, really, and---

20 Q Well, it's a couple of hund-  
21 red miles, isn't it?

22 A Yes, but that's fairly short  
23 for a student who comes from the Maritimes. If you can  
24 make it to Edmonton, he can make it the rest of the way.  
25  
26



1 Q Have you any reason  
2 to think that Foothills' Southern hire policy's going to be  
3 any more effective than Syncrude's Edmonton hire policy?

4 A It appears to me that  
5 this hire policy is very effective in Fort McMurray because  
6 people don't stay around, they come there, they're told  
7 what the policy is and turn around and go back. One reason  
8 why there have been so many people attracted to that project  
9 is that previously the company was running advertisements in  
10 the South looking for manpower but it didn't specify that  
11 they were looking for skilled people in particular trades.

12 Q And if you've got  
13 four hundred a day looking for jobs in Fort McMurray, I  
14 suppose they stay around a couple of days, do they, in  
15 Fort McMurray?

16 A They don't seem to  
17 stay even that long. I had difficulty trying to find any.

18 Q And they spend a day  
19 or so making the trek from Edmonton and a day or so making  
20 the return trek, do they?

21 A Yes.

22 Q Do you have any idea  
23 of the thousands of speculative job hunters that are really  
24 in that cycle, on that basis?

25 A I think it's important  
26 to look at the order of magnitude. Bechtel, right now, out



1 at the camp; well, there's a total of about eight thousand  
2 people out on that site right now, seven thousand or so for  
3 Bechtel itself and about a thousand O & M people. In addi-  
4 tion, you have reconstruction of Highway 63 taking place.  
5 You also have two thousand houses being built right now, so  
6 you compare those combined manpower requirements to the  
7 pipeline manpower requirements, I think you can expect less.

8 Q As a speculative job  
9 seeker, where would you prefer to work for the summer, in  
10 Fort McMurray or Whitehorse?

11 A That depends on what  
12 my economic -- it depends on what my objectives are, if I am  
13 trying to make money, I'll go to either whatever pays the  
14 most or offers the best opportunity of me getting a job.

15 Q Sir, I want to go back  
16 to this four and hundred and ten figure again. You say, in  
17 that sense, my estimate really amounts to a man-year equiv-  
18 alent. Now I put it to you, sir, that if you're going to  
19 have four hundred and ten plus their dependents, two hundred  
20 and five, for a total of six hundred and fifteen, and each  
21 one of them's going to be in the Yukon -- and that is a man-  
22 year equivalent figure -- each one of those persons is going  
23 to be in the Yukon one day, you've got to multiply that  
24 figure by three hundred and sixty-five, in order to get the  
25 total number of in-migrants that would be attracted in a  
26 given year.



1 A I would agree except  
2 that that is a peak and I don't think it can be maintained  
3 very long.

4 Q Well, sir how can it  
5 be a peak when you're talking about man-year equivalents?  
6 Surely if, if the man-year equivalents was working out to an  
7 average of four hundred and one, your peak would be something  
8 in excess of that and the other end curve would be somewhere  
9 below that.

10 A Yes, but I didn't use  
11 an average figure because you have to provide for the peak.

12 Q What do you think the  
13 average figure's going to be, or do you know?

14 A I don't really know.  
15 It'd be less than half of that, I think.

16 Q Well, sir, then in or-  
17 der to make some allowance for that, even though I don't  
18 agree that your statement requires me to do so, if we drop  
19 the six hundred and fifteen down to four hundred and ten  
20 and use that as an average, and each one of them stayed a  
21 day, we end up then with the figure that I mentioned to you,  
22 a hundred and forty-six thousand individuals in a given year.  
23 Simple mathematics.

24 A Yes, I think that  
25 during, for example, the first summer, you will find three  
26 or four hundred people showing up every day.



1 Q Right.

2 A At least it's possible.

3 But a lot of these people are students so the supply just has  
4 to fall off.

5 Q More than that, sir.

6 You've told me yourself that six hundred and fifteen is going  
7 to be the peak. Four hundred and ten plus two hundred and  
8 five is six hundred and fifteen. Now you tell me that's  
9 your peak figure.

10 Q Yes.

11 A So if that's your  
12 peak figure. So if that's your peak, then at some times  
13 you're going to reach the peak. I've allowed you some  
14 credit for what you say is the peak and I'm working on a  
15 figure of four hundred. Now if each one of those individuals  
16 stays one day and four hundred is your average over the year,  
17 you end up with a hundred and forty-six thousand individuals  
18 during the course of the year and you've agreed with me on  
19 that.

20 A I think my peak is  
21 quite realistic, but I doubt if that rate can be sustained  
22 for very long because if you have a hundred and forty-six  
23 thousand coming in a year and you multiply that times three  
24 years you've drained an entire province.

25 Q Well, let's take the  
26 first year, let's work on the first year. You and I know



1 we've got a million unemployed in Canada, Mr. MacLeod, don't  
2 we?

3 A Yes.

4 Q There's quite a pool  
5 to draw from.

6 A Yes.

7 Q Now they may stay  
8 longer than one day, mightn't they?

9 A It's my feeling that  
10 they will be able to assess the prospects of employment  
11 pretty quickly and if they are really preoccupied with the  
12 economics, they will leave if they're convinced they can't  
13 find employment.

14 Q And I think you in-  
15 dicated perhaps they'd be here two days?

16 A That's the present  
17 experience.

18 Q So then we could cut  
19 the total numbers from a hundred and forty-six thousand,  
20 each being here one day, in half, and we end up with about  
21 seventy-three thousand each here two days.

22 A That rate could be  
23 maintained for a while.

24 Q How long, in your  
25 opinion? Through the first year?

26 A First summer.



1 Q Through the second  
2 year?

3 A Well, the thing is,  
4 you have to realize that there is simultaneous pipeline  
5 construction taking place elsewhere and I think a lot of  
6 these people are going to find work along the way. If these  
7 things didn't exist, you'd have a better chance of maintain-  
8 ing that peak for a longer period of time.

9 Q Well, sir, we're talk-  
10 ing about work that to some extent is seasonal. The bulk  
11 of the construction work on the pipeline is built in summer.  
12 Wouldn't there be a tendency to attract from the same labour  
13 pool each of the summers that the pipeline was under con-  
14 struction?

15 A Yes, but this project  
16 will be competing with other projects which will also be  
17 attracting people.

18 Q Can you give me any  
19 indication as to over the -- the time period over which the  
20 average number of speculative job seekers that you have  
21 indicated in your testimony, might be sustained?

22 A Well, as I said in my  
23 evidence, I think you could expect as much -- excuse me --  
24 as many as four hundred people at any given time because  
25 there's only so much local capacity to accommodate these  
26 people. There's no way that a thousand people or two thou-  
sand can show up in a town at once, there's no where to go.



1 The problem has to solve itself. The people have to turn  
2 around and go back.

3 Q Well, sir, maybe you  
4 are pulling yourself up by your own bootstraps. Perhaps the  
5 problem or the real situation is that they will come and  
6 there will be no place to accommodate them.

7 A Well, there's a lot of  
8 people going to McMurray. They don't find cheap accommoda-  
9 tions, they turn around and leave.

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Because I can make those same calculations on Fort MacMurray as you have been making. I could take four hundred people times three hundred and sixty five and I would be looking for all of Prince Edward Island there. But it's not the case. People just turn around when there's nothing there.

Q Well, sir, it's your evidence that I have to work from and we have your estimate of four hundred and one, which you say is not the total number of in-migrants, rather it's an estimate that really amounts to a man year equivalent. That's what I'm working from. You and I understand that. We understand what man year equivalent means.

A I'm saying that at any given time you might find up to four hundred speculative job seekers in town.

Q Well, I put it to you --

A And you have to provide for capacity for those people all year round, even though they might not be there.

Q I suggest to you, sir, that just the opposite to what you have suggested in your evidence is going to happen. You suggest that the movement of people will occur throughout the construction phase; and I suggest to you that there will be a very definite peak to that movement of in-migrants and it would be at about this



time of the year.

A Yes, but that would occur on three different occasions throughout the period. I wasn't trying to suggest that there would be as many people coming in the winter as in the summer. The main point there was that they will not all show up at the same time.

Q Well, then we go back to the question of what does the four hundred and ten represent? Is that your peak figure, or is that your average?

A That's a peak figure.

Q It's a peak. What's your average?

A I don't see any point in calculating an average for it. You have to provide for, -- just like the tourist industry, if you have three hundred thousand tourists coming through in a year, you don't go and divide that by twelve and try to accommodate one/twelfth to every month. It doesn't work that way. You have to have the capacity to handle a large seasonal upsurge in the summer. That's what I am trying to do here.

I'm saying that the upsurge in transient job seekers requires four hundred -- amounts to about four hundred and ten plus dependents.

Q Fifty per cent? A half a dependent per transient job seeker.

Mr. Burrell, could I turn to you



for a moment, please. You state at page one in answer two of your testimony, "For Yukon, we retained consultants familiar with Yukon to advise us on socio-economic matters." Mr. Bayly asked you about this and you indicated that these people were Mr. MacLeod and Ms. Jensen.

MR. BURRELL: I believe that was later on, yes. That was later on.

Q I'm sorry, did you want to add something Mr. Burrell?

MR. CHAIRMAN: I think the reference you are looking for is on page three, Mr. Burrell.

MR. BURRELL: Page three.

MR. CHAIRMAN: About six lines down.

MR. BURRELL: Yes, that was -- that's the point that I spoke to this morning. We have economists and sociologists familiar with northern socio-economic environment providing advice to us. The -- I think the area that you are dealing with is more general and I'm really referring to the people that we have had involved with the project since it's inception.

MR. MARSHALL: Well, earlier on -- and I'm thinking of the preparation of 5A, which is the socio-economic statement --

A Yes, yes.

Q -- you had a gentleman



by the name of Privett and Mitchelson who, as I understood it, wrote the exhibit.

A They were the main authors, yes.

Q They have not been before the Inquiry. Are they not involved any longer with the work that's going on?

A Mr. Mitchelson is not, but Mr. Privett does work for us on occasion on an assignment.

Q I see. Now, you go on at page two to talk about what you consider to be the sufficiency of the socio-economic assessment.

A Right.

Q It's true, is it not, sir, that until last week you had no in-migration study?

A I don't agree with that.

We had some work that was included in our evidence which Mr. Ellwood testified to. I'm saying that as the project progresses, there is additional work done, and it's an ongoing process.

Q Well, when did you think you got to the point that you had done a sufficient socio-economic assessment of the project?

A Well, let's -- we felt at the time the application, of course, was filed, that that was a proper socio-economic statement. We said in it that



1 we were -- this is not the final document, it was an ongoing  
2 thing and that we would continue to do more work. I must  
3 point out, Mr. Marshall, that in filing that document we  
4 did not receive any deficiency letters from the National  
5 Energy Board on that particular document, so I guess in their  
6 mind they must have seen that it did provide the information  
that was necessary.

8 Q Well you got one from  
9 the Yukon Conservation Society, though, didn't you Mr.  
10 Burrell? When you were here with the National Energy  
11 Board?

12 A We got questions from  
13 the Yukon Conservation Society --

14 Q Yes, you certainly did.

15 A Well, we questioned you.  
16 too.

17 Q Well, look it was not  
18 until after that episode that you retained Mr. MacLeod to  
19 do the in-migration study, was it?

20 A Mr. MacLeod has been  
21 working for us now since I think the beginning of 1975 or  
22 late '74. He's been doing work in this area in the Maple  
23 Leaf Project, he then, as a natural development, undertook  
24 work for us using his knowledge of the Maple Leaf. He  
25 undertook to work for us on the Yukon project.

26 Q Well, Mr. Burrell, he told



us this morning, and I believe it's in his evidence that he didn't start this assignment for Foothills (Yukon) on in-migration until March of this year. That's after the N.E.B. was here in Whitehorse. They were here for the first few days in March.

A            That's true, but up to that point he had been working on the Maple Leaf Project, and it was, as we saw it, just a natural thing to do to use his expertise in developing additional information, as I say, on an ongoing basis for the Yukon project. It only made sense.

Q            You go on at the bottom of page two to say "as the project advances, we will be undertaking a more detailed evaluation of socio-economic matters, and be putting in place procedures to accomplish the objectives set out for this project." Who's doing that for you, sir?



1 A Who's doing what?

2 Q Undertaking a more

3 detailed evaluation of socio-economic matters and putting  
4 into place, procedures to accomplish the objectives set out  
5 for this project. Do you have consultants doing that work  
6 for you sir?

7 A Yes, we have -- we're  
8 getting advice from Rene Jensen(?) on these matters.  
9 We've identified areas where we do in fact, have to, to  
10 develop procedures in order to put into place, our policy  
11 positions. A lot of these things are things that are known,  
12 that we've concluded it isn't wise to develop further until  
13 such times as a permit is issued for the reasons that I've  
14 stated in my evidence.

15 Q You mentioned Ms. Jensen.  
16 I understand she lives in Yellowknife?

17 A Yes, she lives in Yellow-  
18 knife, but she is spending a great deal of time over here.

19 Q And Mr. MacLeod is based  
20 in Inuvik and Calgary?

21 A Yes, that's right.

22 Q Do you have any Yukoners  
23 involved in providing you with consulting advice in this  
24 area?

25 A Well, certainly Mr.  
26 Privett does give us input and I think you'd have to con-



1 sider Mr. Miller a Yukoner and Mr. Ellwood is a full time  
2 resident here in Whitehorse, so certainly, we're getting  
3 input from local people and we are discussing with local  
4 residents too. It's not something that we're doing indepen-  
5 dently. We're seeking advice of local people too and people  
6 that are in government.

7 Q You mentioned University  
8 Canada North (Yukon) Research Associates. Could you tell  
9 us who they are?

10 A I believe they're going  
11 to be giving evidence later on as I understand.

12 Q Are they consultants to  
13 Foothills?

14 A Not really. They're a  
15 group which are undertaking certain assessments with  
16 respect to development that has taken place and we're  
17 providing them with funds. They're an independent  
18 organization, but we are getting the results of their  
19 studies as we are getting results from the Alaska Highway  
20 Pipeline Panel.

21 Q Now, as the two groups  
22 that you've just mentioned -- the Alaska Highway Pipeline  
23 Panel and University Canada North (Yukon) Research  
24 Associates, complete their work and come up with recommen-  
25 dations. Is Foothills going to alter its project to  
26 reflect the concerns identified by these consultants?



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1                   A           We're certainly going  
2 to take into consideration, any recommendations that we get,  
3 not only from those groups, but in discussions we get with  
4 people and attendance at hearings and so on. They'll be  
5 given proper consideration in the overall planning process.

6                   Q           I take it you don't want  
7 to make a commitment one way or the other, as to whether  
8 you will --

9                   A           Well, I think you have  
10 to -- pardon? I'm sorry, I didn't hear that?

11                  Q           That's because you were  
12 starting to answer before I finished, Mr. Burrell. I take  
13 it you don't want to make a commitment today, as to  
14 whether you're going to accept the recommendations or you're  
15 not.

16                  A           I think you have to look  
17 at what the recommendations are and weigh them and see  
18 how they affect other matters which we're doing. I think  
19 if you look at the Alaska Highway Pipeline Panel, a  
20 majority of the recommendations that they have made, are  
21 those policies we've already incorporated into our project.  
22 They say that independently I might add.

23                  Q           Moving on to Page 4, sir,  
24 you're responding to a question on steps to minimize effects  
25 of in-migration and you say about two-thirds of the way  
26 down, the answer -- "Many of these have been established as



1 a result of Alaska pipeline related in-migration experiences.  
2 Now, do I understand from this comment, that you have drawn  
3 on experiences in Alaska to develop policies and procedures  
4 to keep in-migration to an acceptable level?

5 A We've looked at the  
6 Alaska pipeline situation and determined from discussions  
7 with people and information that we've read, the problems  
8 which seem to be the causes of the main in-migration con-  
9 cerns and we've even utilized some of the information  
10 provided by your consultants, Mr. Marshall. From that,  
11 have concluded that there were certain facets that con-  
12 tributed to in-migration and we're confident that we've  
13 developed policies which are directed towards minimizing  
14 in-migration problems.

15 Q Well, inasmuch as you've  
16 gone into Alaska source data, do I take it that you accept  
17 that there is a relevance of such data to be applied to  
18 prediction of impacts of pipeline construction and operation  
19 in the Yukon?

20 A Well, as we've said  
21 before, there's -- I think that's one measure. I think we  
22 can learn by experiences. That's what these things are  
23 all about really. We've said that the Alaska situation  
24 is one thing to consider. We've got to consider other  
25 developments such as what's happened in Fort Nelson and  
26 other areas in Canada and we've used these plus other in-



1 formation to allow us to come up with these policy positions.

2 Q Did you exclude Mr.  
3 Ellwood from these discussions?

4 A Well, no. Did I imply  
5 that I had?

6 Q Well, I'm looking at  
7 evidence that he's to testify to tomorrow and the first  
8 question he's asked is, "Mr. Ellwood, many people have  
9 compared the Foothills Alaska Highway project to the  
10 Alyeska oil pipeline project. Is this the valid comparison?  
11 His answer is no." Then he goes on from there.

12 A Well, when I speak of  
13 we, I think we speak of we as Foothills Company.

14 Q Now sir, at Page 5 in  
15 your testimony, you speak of southerners wishing employment  
16 on a pipeline being hired south of 60.

17 A Yes.

18 Q This southern hire  
19 policy wouldn't apply to anyone involved in indirect or  
20 secondary employment in the Yukon, generated by the pipe-  
21 line, would it?

22

23

24

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26



1                   A       It would include the in-  
2       directs which are included in our 2,311, I think, forecast  
3       for the peak requirements.

4                   Q       Well, I guess these -- we  
5       can get hung-up on semantics. but you're talking about a  
6       southern hire policy for people that Foothills and its  
7       contractors hires.

8                   A       Yes.

9                   Q       Right, and you have no way  
10      if imposing a southern hire policy on anyone, say, involved  
11      in the transportation sector, hotel or entertainment sector  
12      in the Yukon that would have need for additional employees  
13      because of spin-off from the pipeline?

14                  A       Certainly any contracts that  
15      would be awarded by us or as a result of the work directly  
16      associated with the pipeline would be covered on this, but  
17      as far as hotels and so on, I don't see how we could be  
18      expected to place a requirement that all southerners be  
19      hired in the South, say, on the Belvedere Hotel in Watson  
20      Lake, I think it would be pretty ineffective.

21                  Q       Quite so, and I'm not argu-  
22      ing that you should, but it's, it's the expectation of  
23      Foothills that, I believe it's some 600 Yukoners will move  
24      over from their present jobs or welfare positions onto pipe-  
25      line work.

26                  A       I think the estimate is that



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1 it's 600 people in the Yukon could take construction work  
2 on the pipeline.

3 Q And, to the extent that they  
4 move over to the pipeline, and the 600 figure is the one  
5 that was used, there would be jobs left open then in the  
6 Yukon that may well attract persons from the South?

7 A Yes, and I think that's been  
8 covered in the forecast that Mr. MacLeod has done.

9 Q Do you know, sir, whether  
10 Alcan plans to do a repeat of what Alyeska did in hire in  
11 Alaska, have a local hire policy?

12 A I believe Mr. Ellwood....

13 MR. ELLWOOD: I haven't asked them  
14 directly, but, that would seem to be the obvious thing to  
15 do. The union hiring halls are there, they must deal through  
16 those hiring halls to work there, so, I don't think there's  
17 really any question of that.

18 MR. MARSHALL: That was my informa-  
19 tion as well, Mr. Ellwood. Have you given consideration to  
20 what numbers of prospective pipeline workers or speculative  
21 job seekers being attracted to the hiring halls in Alaska  
22 will pass through Yukon en route?

23 A No, we haven't attempted to  
24 estimate in-migration to Alaska as a result of the Alcan  
25 project.

26 Q I see.



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1                   Mr. MacLeod, I gather your own  
2 personal experience during the period of Alyeska construction  
3 was that there were boomers heading for Alaska,     passing  
4 through the Yukon?

5                   MR. MACLEOD: Yes, just like there  
6 are tourists passing through the Yukon.

7                   Q       There's been some discussion  
8 about a definition of a Yukoner for purposes of the southern  
9 hire policy that your company proposes, Mr. Burrell. I  
10 have a little difficulty with this problem of the definition  
11 of a resident and I'll tell you why I have the problem.  
12 It's always seemed to me that in this country, the question  
13 of residence is it's sort of an optional thing, like, anyone  
14 of us individually decides for purposes of filing your in-  
15 come tax and I suppose that's one of the few times we have  
16 to decide it, or applying for medicare or whatever, that  
17 we are resident of a particular province. In other words,  
18 it's something that's kind of at the option of the indivi-  
19 dual. You select, if you move around a lot .

20                  A       It's a free country is  
21 what's you're saying.

22                  Q       That's right. You select  
23 where it is that you are a resident and nobody tells me that  
24 I am a resident of Alberta and I accordingly must pay taxes  
25 there or I must vote in the -- if I'm to vote at all, in  
26 those elections. Isn't this idea of an imposed residency



1 or an imposed definition of a Yukoner, something that's kind  
2 of contrary to the whole grain of Canadian thinking on this?

3 MR. HOLLINGWORTH: Well, excuse  
4 me sir, it seems to me that this is getting into a legal  
5 definition. Mr. Marshall has put a theory as a learned law-  
6 yer that he is, to the panel, none of whom is a lawyer, and suggests that  
7 if for instance somebody lives in Manitoba, which has a  
8 high income tax rate, they could arbitrarily say that they  
9 lived in Alberta at the end of any given year and pay the  
10 Alberta rate of tax and that just isn't the case. I think  
11 the whole premise of his question is in error and I think  
12 it's based on a question of law.

13 MR. MARSHALL: Well, Mr. Chairman,  
14 I perhaps can explain why I'm having this difficulty.  
15 Foothills have made a point, a big point, about a southern  
16 hire policy and I'm sure their intentions are sound ones.  
17 There has been some indication that such a definition didn't  
18 work in the Alaska context - and we'll no doubt hear more  
19 about that as the Inquiry goes on. What I'm interested in  
20 is whether or not Foothills has any reason to think that  
21 such a concept ever can be introduced in Canadian society,  
22 I mean, upon what does one base it? With income tax, as my  
23 learned friend has pointed out, it's where do you reside on  
24 the 31st day of December, of the last taxation year, and  
25 you file your return on that basis. But how do we do it  
26 for purposes of determining who is to be turned away from the



1 hiring hall here in the Yukon and who is not?

2 MR. HOLLINGWORTH: Well, sir, it seems to me  
3 that that still is a legal matter. There are other examples  
4 that my friend might have chosen, domicile for matrimonial  
5 matters is one that comes to mind. Domicile in any parti-  
6 cular province for the purposes of being eligible to vote  
7 in a provincial election is another one I can think of.  
8 Surely, this is not an issue which ought to be taken up  
9 with the panel. I'll debate it with Mr. Marshall ad nauseam  
10 if he likes.

11 MR. MARSHALL: I'm nauseated already.

12 MR. GOUDGE: Gee, it's good to  
13 be back.

14 MR. MARSHALL: I'll move on to  
15 another topic. You go on, on page 6 under sub-paragraph  
16 b, and here you're talking about Foothills' policies to  
17 discourage excessive in-migration and you say construction  
18 workers will be housed on a single status basis in self-  
19 contained, well equipped camps well removed from the com-  
20 munities. You've got that, Mr. Burrell?

21 MR. BURRELL: Yes.

22 Q Now, you're going to be  
23 hiring --

24 MR. HOLLINGWORTH: It's Burrell,  
25 Mr. Marshall.

26 MR. MARSHALL: Now I'll never get



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1 it right. Sir?

2 MR. BURRELL: You've got the right  
3 gender anyway.

4 MR. MARSHALL: You're going to be  
5 hiring numbers of Yukoners?

6 A Yes.

7 Q Assuming you can come up  
8 with a definition of who or what a Yukoner is. Will you  
9 concede that they may want to live at home and commute to  
10 work on the pipeline?

11 A Yes.

12 Q Or they may want to live  
13 in trailers or campers in proximity to where work is then  
14 going on?

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1                   A           The intent is that  
2 they would use the self-contained, well-equipped camps ...

3                   Q           Yes, sir, but would  
4 you concede that they've got the freedom to do that if they  
5 want to do that?

6                   A           I suppose they have the  
7 freedom to. We would expect that the camp facilities that  
8 we are providing and the facilities are such that they  
9 wouldn't want to.

10                  Q           Well, given that the  
11 bulk of pipeline construction will be going on in the summer  
12 and the weather, as we know, in the Yukon is fine in the  
13 summer and it has the scenic beauties that it does, can't you  
14 conceive that Yukoners working on the pipeline might want to  
15 take their camper to a beautiful spot close to where pipe-  
16 line construction is going on and live there, perhaps with  
17 their families rather than live in a camp?

18                  A           I think the possibility  
19 exists. We would expect, here again, that they would want to  
20 use the camps. I think the point of this whole thing is  
21 that the concern that we have for the large influx of  
22 Southern workers and the large influx of Southern workers  
23 would be housed in these camps. Now --

24                  A           Well, I want to get  
25 to that in a minute, sir, I want to deal with the Yukoners  
26 first. You'll concede that Yukoners may want to live in trail-



ers or campers wherever they choose and work on the pipeline.  
You can't stop them from doing that.

A No, it's a free  
country, again I say.

Q And if you can't stop  
the Yukoners, you can't stop any of the other pipeline con-  
struction people who may choose that and prefer that to liv-  
ing in one of your camps.

A Here, again, it's a  
free country but certainly I think you have to look at the  
incentives and we can't dictate to people what they can do  
and what they can't do but certainly we're not going to  
provide any parking facilities for outside for southern  
workers. We think that people when they have their air  
traffic or air fare paid for them from Vancouver or Edmonton  
up to Whitehorse and transportation provided to the camps  
that there is incentive for the Southern worker to, in fact,  
follow the plan that we've put forward. I think we have  
to -- I think it's in the answer to question four -- it's  
unrealistic to consider that Canadians can be prohibited  
from coming to Yukon to seek employment. What is realistic  
is to structure our project in such a way that it will dis-  
courage excessive in-migration and that's what we're trying  
to do, Mr. Marshall.

Q Well, my point is  
simply this, sir. You can't mandate this. It's going to



1 be up to the individual construction worker, be he a Yukoner  
2 or not, to decide whether he wants to live in one of your  
3 camps or he wants to take advantage of the fact that they  
4 are located along a highway, and he can stay wherever he  
5 likes and commute to work.

6 A Well, the evidence  
7 that I think was presented at Watson Lake by the Mayor of  
8 Fort Nelson, implied generally that the workers who came up  
9 were single workers and they lived in camps and I don't see  
10 how we could expect a situation that has occurred in Fort  
11 Nelson to be any different than what we might see here.

12 Q I think in Mr.  
13 Yamuchi's evidence, which is coming up in a day or so, we  
14 indicated, if my recollection is right, that there are about  
15 twenty percent of the construction crew who were living in  
16 trailer parks on that project?

17 A Well, Mr. Yamuchi  
18 will have to discuss that but it may very well have been  
19 an arrangement that was made prior to the construction tak-  
20 ing place.

21 Q I see. Sir, further  
22 in that answer, under (e) you talk about local purchasing  
23 and you say -- local purchasing will be carried out so as to  
24 minimize the pressure in local businesses, to enable them  
25 to operate without inordinate short-term expansion of their  
26 work force. I want to get into this with Mr. MacLeod so I



1 wanted to ask you this, sir -- do you foresee any expansion  
2 by Yukon businesses due to pipeline?

3 A Well, that possibility  
4 exists as we -- here again, the merchant, I suppose, is free  
5 to expand as he sees fit but there are certainly financial  
6 and economic constraints on it and certainly our policies  
7 will be such to discourage the expansion of business beyond  
8 what the businessman is capable of handling over and above  
9 his normal day-to-day trade.

10 Q The problem that I  
11 foresee is this, Mr. Burrell. Probably you've thought out  
12 an answer to it but perhaps you could let me know. Are you  
13 going to be telling the local businessmen that no -- you  
14 won't give them an order because in your judgment that would  
15 lead to his overexpanding his facility or his staff or are  
16 you going to leave that to the option of the local entre-  
17 preneur to say to Foothills -- I can handle it, I realize  
18 you're not going to be building this pipeline forever, but  
19 I'm going to make the investment, I'm going to hire the  
20 additional staff. How do you come to the judgment on what's  
21 good for the Yukoner and what's in the long term going to be  
22 bad for him? Do you make that judgment or do you leave that  
23 up to him?

24 A Well, certainly we're  
25 going to develop a bidders' list which involves the dis-  
26 cussion with the local businessman as towards his capability.



1 We're going to, as you do in awarding of any contract, you  
2 look at the capability of an individual to -- a firm -- to  
3 handle a job and that's the normal process in which you look  
4 at awarding of contracts. Certainly we're going to let the  
5 businessman know what the requirements are, and he, to some  
6 extent, is going to decide whether or not he wants to expand  
7 but here again, he'll have to make a rational decision  
8 based on financial and economic considerations and the fact  
9 that we'll have this bidders' list and we'll be, in fact,  
10 analyzing the awarding of contracts based upon a number of  
11 factors. One is the capability of the merchant or the  
12 supplier to handle the job, that's normal procedure.

13 Q Mr. Chairman, Mr.  
14 Goudge indicated you wanted to wrap up soon. Perhaps I  
15 could just finish off one question that I should have asked  
16 a few moments ago when we were talking about residency  
17 requirements.

18 Sir, if you have a Yukon hire  
19 policy and a Southern hire policy, I take it you'll publicize  
20 this?

21 A Yes, it's our inten-  
22 tion to make that well known because that's, we feel, one  
23 of the important things that will tend to discourage in-  
24 migration into the Yukon.

25

26



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Q Right. I think this will lead the person who wants to get a job in the Yukon working on the pipeline to go to the Yukon early, and to establish some indicia of residency so as to be in a better position to get a job.

A I guess one of the considerations that have to be handled when you are in fact defining what a Yukoner is, and the people that, as we see it will be making such a definition, will be taking those things into consideration. They are knowledgeable people.

Q You've proceeded on the assumption that they'll successfully develop such a policy that will in fact keep non-Yukoners from being able to hire on in the Yukon as if they were Yukoners?

A I think that that will happen.

MR. MILLER: Mr. Marshall, maybe I can clarify a point for you. In government contracts at the present time in the Yukon, and this is both Federal and Territorial contractors -- contracts, there is a local resident hire clause now.

Q Well, perhaps, sir, on that note of enlightenment we could adjourn.

MR. CHAIRMAN: Thank you Mr. Marshall. I'll just remind those present who may wish to join us this evening for the community hearing in Porter Creek,



that's in the community hall and it commences at seven o'clock this evening. This formal hearing will resume tomorrow morning here at ten o'clock.

Is there anything else Mr. Goudge that should be spoken to before we adjourn?

MR. GOUDGE: Yes. Mr. Hollingworth has one thing to say and then I want to speak.

MR. CHAIRMAN: Mr. Hollingworth?

MR. HOLLINGWORTH: Two things, actually, Mr. Chairman, but they are not very long. The first is that I have some prepared evidence of Lou Scout, a witness for Foothills who will be appearing probably tomorrow for distribution to those participants who are here. Another set of this evidence has gone over to the Commission offices to be distributed in the usual fashion.

Also, this morning, I indicated that I would file some -- this panel's evidence with Miss Hutchinson. I in fact placed that evidence on her desk and I believe it's ready for filing, in fact it has been filed now.

(EVIDENCE OF FOOTHILLS PIPE LINES (YUKON) LIMITED

PANEL: MR. MILLER, MR. ELLWOOD, MR. BURRELL, MR.

MACLEOD, MARKED AS EXHIBIT NUMBER 63)

MR. CHAIRMAN: Good, thank you Mr. Hollingworth. Mr. Goudge?

MR. GOUDGE: Last, sir, Mr. Joe



has indicated that Mr. Moreland, who will be appearing late tomorrow for the C.Y.I. will be leaving his evidence in our office this evening, and it will be available there in the usual way.

So, I think, sir, we could adjourn until ten tomorrow?

MR. CHAIRMAN: All right.

(PROCEEDINGS ADJOURNED)







ALASKA HIGHWAY PIPELINE INQUIRY

IN THE MATTER OF AN APPLICATION BY FOOTHILLS PIPE  
LINES (YUKON) LTD. TO THE MINISTER OF INDIAN AFFAIRS  
AND NORTHERN DEVELOPMENT FOR A GRANT OF THOSE  
INTERESTS IN THOSE AREAS OF TERRITORIAL LANDS IN THE  
YUKON TERRITORY AS MAY BE NECESSARY FOR THE CONTRUC-  
TION AND OPERATION OF THE SAID NATURAL GAS PIPELINE  
AND THE WORKS AND FACILITIES CONNECTED THEREWITH AND  
INCIDENTAL THERETO,

AND

IN THE MATTER OF A BOARD OF INQUIRY ON THE SOCIO-  
ECONOMIC ASPECTS OF AN ALASKA HIGHWAY GAS PIPELINE.

BEFORE THE BOARD:

K. M. LYSYK, Esq., Q.C.

CHAIRMAN

WILLARD PHELPS, Esq.

MEMBER

EDITH BOHMER,

MEMBER

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P R O C E E D I N G S

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WHITEHORSE, Y. T.  
(Porter Creek)

JUNE 27, 1977

COMMUNITY HEARING

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Whitehorse/Porter Creek  
COMMUNITY HEARINGS  
June 27, 1977

PROCEEDINGS RESUMED PURSUANT TO ADJOURNMENT

MR. CHAIRMAN: Ladies and gentlemen, I wonder now if I can open this Community Hearing. I might just take a minute or two, if I might, firstly to introduce members of the board. My name is Ken Lysyk. My colleagues on the board are Edie Bohmer and Willard Phelps. Then, perhaps a sentence or two about what our job is, although I suspect at this stage of the game, most of you have heard as much about pipeline proposals probably more than you really would like to hear about pipeline proposals for the time being, so I won't go on at any length.

But, just in very general terms, you'll know that the Government of Canada has said that it proposes to make a decision in principle as to whether or not to approve a pipeline through Canada to move gas from the Arctic to the lower 48 states of the United States. It says further that it proposes to make that decision in principle in August of this year. The main contenders, as you know, if, particularly if a Canadian route is not approved, there is the, what's sometimes described as the All-American route, the El Paso proposal, which would move gas from Prudhoe Bay to the south coast of Alaska and then have it moved in liquid form by tankers to California.

Of the two Canadian routes, there



1 are, as you know, the two main contenders. One is the  
2 Mackenzie Valley route, the other is the one that we're to  
3 look at, that is the Alaska Highway route.

4 In terms of the information we're  
5 to supply to the Government, what our report is to contain,  
6 we're asked firstly to submit a report of a preliminary na-  
7 ture on social and economic impact of this proposed pipeline.  
8 I say preliminary because when our board was created, the  
9 Government said that if it did give the nod to the Alaska  
10 Highway route, the approval in principle, then it would  
11 establish a second stage inquiry that would produce the  
12 final social and economic impact report and that would be  
13 available for purposes of devising the terms and conditions  
14 that the pipeline company would have to comply with.

15 So, it's preliminary in that sense,  
16 We're also asked to say something about what form the second  
17 stage inquiry would take if -- always if -- the Government  
18 approves the Alaska Highway route, and therefore the second  
19 stage inquiry becomes necessary. Say something about what  
20 further studies should be carried out for that purpose and  
21 to say something about the form that the second stage in-  
22 quiry itself might take.

23 We have another very important  
24 task, perhaps the most important part of our job and that is  
25 to report to the Government of Canada on what we've been  
26 able to learn about the attitudes of Yukoners to this pro-



1 posed pipeline, and that, of course, is what these community  
2 hearings are all about. We now are drawing towards the  
3 close of our series of community hearings. Over the last  
4 few weeks, we've been around to, of the seventeen communities  
5 we had on the list, apart from the Whitehorse area, now we  
6 have only two other places to visit. That's Old Crow and  
7 that will happen this weekend, and the community hearing  
8 in Carcross, which is July 8th.

9           Anyway, to come back to the commun-  
10 ity hearings for a moment, obviously to provide the best  
11 information possible, the most reliable information possible  
12 to the Government on attitudes of Yukoners. We have been  
13 hoping to get, in our view have been getting, a very good  
14 turn outs at our community hearings and good participation  
15 at them. It's, for the reasons I've mentioned, most impor-  
16 tant we do hear from as many people and get as wide a range  
17 of opinion as possible.

18           So that, in very brief terms, is  
19 what we're up to and how we're going about it. You'll also  
20 no doubt know that we have recommenced now the formal hear-  
21 ings, the second stage of the formal hearings in Whitehorse  
22 that are going forward at the moment in the Legion Hall.  
23 It started up today and that will be continuing over the  
24 coming three weeks.

25           I should mention that we have with  
26 us -- I hope they've arrived on the scene, representatives



Mr. Dan Lang

1 of the Foothills Pipe Line Company. There they are, yes,  
2 right. The ones proposing to construct a pipeline along  
3 the Highway and if you have questions about the proposal,  
4 particularly if they're technical questions or company policy  
5 questions, I will in all likelihood be asking Mr. Burrell,  
6 of the Foothills Company to come to the microphone and try  
7 to respond to your questions.

8 Just on that last point, we keep  
9 a complete record of what is said at the community hearings,  
10 as well as at the formal hearings, and the official reporter  
11 and technician are over there at the table. For that rea-  
12 son, I will ask please anyone who has a statement to make  
13 or a question to ask, I'd ask them to come to one of the  
14 microphones, the one at the table there is probably the  
15 most convenient for someone who is making a submission, or  
16 alternatively, the one in the aisle, whether you're making  
17 a statement or asking a question, just to insure that our  
18 record is complete.

19 All right, I think that's all I  
20 have to say by way of introductory comments. We now look  
21 very much forward to hearing from you. I understand that  
22 Mr. Dan Lang, who you'll know is a MLA, has something to  
23 say to us and I wonder, Mr. Lang, if you'd be good enough  
24 to break the ice for us?

25 MR. DAN LANG: Members of the  
26 Inquiry -- this mike's awfully loud, or it seems to be --



1 Members of the Inquiry, first of all on behalf of the citi-  
2 zens of Porter Creek, I'd like to take this opportunity to  
3 thank you for appearing in this particular area of Whitehorse.

4 I'm sure that everybody will be prepared to stand up  
5 and state their case when their time comes.

6 I am a Member of the Yukon Legis-  
7 lature representing the Porter Creek riding and I am also  
8 responsible for the portfolios of education, housing, re-  
9 creation and manpower for the Government of Yukon. The  
10 brief I am presenting today contains my own personal views,  
11 which I believe are shared by the majority of my constituents.

12 To begin with, I would like to  
13 state that I support the construction of the pipeline, bear-  
14 ing in mind the following. In the past month, some interest  
15 groups in various public forums have intimated that Yukon and  
16 Northwest Territories are very similar in all respects.  
17 Unfortunately, some of the news media have accepted these  
18 statements without researching them and subsequently, the  
19 public of southern Canada, and for that matter, the United  
20 States of America, have been badly misinformed. For the  
21 record, I feel it's important that the differences between  
22 our two jurisdictions be delineated.

23 I quote from the Government of  
24 Yukon's submission to the National Energy Board on August  
25 11th, 1975:

26 "Most Canadians tend to catagorize the Northwest



1 Territories and Yukon as one big northern area  
2 with common needs, backgrounds and future as-  
3 pirations. In actual fact, there are several  
4 important factors which place the Yukon Ter-  
5 ritory in a unique situation of its own.

6 Unlike most of the Canadian North, the Yukon  
7 Territory has political, economic, transpor-  
8 tation and communication structures which go  
9 back more than 75 years. As well, there are sig-  
10 nificant geographic differences between the  
11 Northwest Territories and Yukon which have re-  
12 sulted in major differences in resource develop-  
13 ment and population trends.

14 Yukon has been established as a separate  
15 political entity within Canada since 1898 and  
16 has an elected council since 1908. A strong  
17 foundation for development has developed during  
18 the 75 year history of political maturity.  
19 Yukoners have a firm understanding of the pro-  
20 cess of Government and the roles that industry  
21 and government play in development. Consequently,  
22 they are keenly aware of the impact that a major  
23 project, such as the proposed pipeline, will have  
24 on the structure and the process of government  
25 here in Yukon.

26 Yukon has almost the exact opposite of the



1 population structure of the Northwest Territories.  
2 About 15 per cent of our population is of direct  
3 native descent and of the remaining 85 per cent,  
4 many are third and fourth generation Yukoners, with  
5 a rich history behind them.

6 It also should be noted, that in contrast  
7 to the lack of transportation corridors in the  
8 Northwest Territories, the Yukon has developed a  
9 sophisticated, all-weather highway system of  
10 2,573 miles of road, which is vital for economic  
11 progress. Complementing this all-important infra-  
12 structure is the White Pass and Yukon Route Rail-  
13 way, which provides an avenue to the Pacific Rim  
14 for our resources.

15 Yukon is no stranger to pipeline development.  
16 Over the past three decades we have experienced  
17 the construction of the Canol Pipeline from Norman  
18 Wells to Whitehorse, the Haines/Fairbanks Military  
19 Pipeline, as well as the pipeline to Skagway, which  
20 is still in operation.

21 In view of our present stagnant economy, the  
22 construction of a pipeline could be very advantageous  
23 to our situation, as long as comprehensive condi-  
24 tions are put on the Alaska Highway pipeline per-  
25 mit."

26



In the past year, this position



1 has reversed itself to the point that the Chairman for the  
2 Council of Yukon Indians, addressed President Carter's  
3 Council on environmental quality and stated,

4 "If necessary, we shall make the fullest use  
5 of the courts to gain every moment of delay  
6 we can. It would be interesting to see how  
7 many years we could delay the pipeline."

8 In view of the  
9 fact that the gas from Alaska must be flowing within a  
10 certain time frame in order to prevent the necessity of  
11 flaring it off and also, that our national unemployment  
12 statistics in Canada are the highest in history, I feel that  
13 a statement such as this does not help accomplish the  
14 Indian leaders' goal for racial harmony and equal oppor-  
15 tunity.

16 The natives' leader should be  
17 constructively pursuing ways and means for native people  
18 to actively participate in this development in order to  
19 ensure prosperity for this small segment of our population.  
20 At the same time, I sympathize with the natives peoples  
21 demand for more self-determination, but it must be recognized  
22 that all Yukoners are second class Canadian citizens whose  
23 fate is decided by faceless mandarins three thousand miles  
24 away.

25 In view of our situation in  
26 Yukon, it is important that this Inquiry realize that the



1 real problem confronting Yukoners is not the pipeline, but  
2 is the fact that the Federal Government has absolute  
3 control of our destiny. If the Yukon is going to proceed  
4 further into major economic development, it is essential  
5 that the Government of Canada grant the people of Yukon  
6 more local autonomy. The paradox which is taking place in  
7 Canada today, is a fact that the Federal Government is  
8 asking Quebec to stay in Confederation and on the other  
9 hand, are doing everything they possibly can to prevent  
10 Yukon advancing towards responsible government.

11 In order that the people of  
12 Yukon can set their own priorities in the future, I would  
13 suggest that the present portfolio of Indian Affairs and  
14 Northern Development be split, with the provision that the  
15 orderly transfer of our renewable resources and land manage-  
16 ment begin as soon as possible to the Government of Yukon.  
17 Once this transfer has reached successful conclusion, the  
18 responsibility of development should be transferred to the  
19 Government of Yukon.

20 At the same time, the Department  
21 of Indian Affairs as applies to the Yukon, should be  
22 abolished once the land claims have been settled.

23 In conclusion Mr. Chairman, I  
24 would like to emphasize that if a pipeline is to be built  
25 across our territory, Yukoners must reap our fair share of  
26 the benefits. We are no longer prepared to act as a resource



1 storehouse only. Thank you.

2 MR. CHAIRMAN: Thank you Mr.  
3 Lang. We're much obliged to you for that interesting  
4 submission. Okay, can I now throw the floor open to anyone  
5 who would like to come forward and make a statement or ask  
6 a question? Yes sir?

7 MR. McCANDLESS: Mr. Chairman,  
8 my name is Robert McCandless. I live thirty miles outside  
9 of Whitehorse, but I did live in Porter Creek at one time  
10 and many of my friends are here and this is why I'm making  
11 my own presentation to you here.

12 I wanted to start off with  
13 what seems to be sort of a -- it's almost a trivial matter,  
14 but may I ask that when you write your report, that you  
15 do not forget to omit the word 'the' in front of Yukon,  
16 because it seems to be current practice in the Territorial  
17 Government now, to refer to it as Government of Yukon; the  
18 place is The Yukon, it is a definite physiographic region.  
19 It's unique in Canada. I think that common usage is to  
20 use the definite article in front. It's a trivial thing,  
21 but I wanted to mention it.

22 MR. CHAIRMAN: Nevertheless,  
23 it's a somewhat contentious one, I gather, Mr. McCandless.

24 MR. McCANDLESS: I don't think  
25 so. I don't think there's been any discussion of it. It's  
26 just an administrative decision by the Territorial Govern-



1       ment so far as I'm aware, but I don't think it's ever been  
2       discussed.

3                       First of all, I am opposed to  
4       the pipeline and I'm opposed to it until the government  
5       says that it shall go down the Alaska Highway and then I  
6       suppose I'll change my tune, but until then, I am opposed.  
7       I support the contention of the Indian people that land  
8       claims should be settled first. I think that that's  
9       crucially important, because so much new alternative economic  
10      development could flow from it. To develop the Yukon in a  
11      way that we could all live with, I think it requires the  
12      settlement of land claims first. I think we have to wait  
13      for them to decide what it is that they want. Also, it  
14      concerns me that if the pipeline was to go ahead, it would  
15      accentuate the present gap between the rich and poor in  
16      this territory. It would enhance the existing ownership of  
17      business and land and so on and wouldn't get down to the  
18      lower economic levels of the community.

19                      The pipeline process, we have  
20      the two applicants before the government - Foothills and  
21      Arctic Gas. What I don't like about it, it's an essentially  
22      American model. You have adversaries in which the govern-  
23      ment is a referee and I think that that's contrary to the  
24      way we've done things in the country in the past. I'll take  
25      the CPR as an example.

26                      It was decided that a railway



1 was needed to the west to keep it -- or that was the  
2 national purpose to bring B.C. into the union and to give  
3 them a railway. So then the government proceeded to get  
4 the railway built by inviting contractors to build it, so  
5 that what we need is the decision - is the pipeline in the  
6 national interest and then the government solicits proposals.  
7 So we're doing it backwards we are following the American  
8 model.

9 Now, what happens when we do  
10 that, is we have a courtroom situation before the Energy  
11 Board and I'm an intervenor before the Energy Board and I  
12 have followed all the process. You have Foothills arguing  
13 with Arctic Gas, so they're picking each other up on  
14 technical details and a lot of other more important issues  
15 sort of never come to light. It's almost as though there  
16 is a tacit agreement between the two that they won't  
17 discuss certain things.

18 Now, one way of learning about  
19 those things is to read the El Paso Final Argument to the  
20 National Energy Board. El Paso says there is no way that  
21 Arctic Gas and Foothills can finance the pipeline in Canada.  
22 They say things for example, that Foothills wants to place  
23 half of its equity stock in the United States, but that  
24 equity stock will not have a vote. Well, what American  
25 would buy stock in a corporation if they have no vote, if  
26 they have no say in the management of the company.



1 Another thing is that Foothills  
2 and Arctic Gas are assuming that they can get money from  
3 American insurance companies, when they are limited by law  
4 to invest only ten per cent of those funds in Canadian  
5 corporations. So, that came out because El Paso brought it  
6 out. No one else did. Now, Foothills, Arctic Gas and El  
7 Paso, they will hide things and one of the things -- the  
8 obvious one, they're all wanting to build pipelines as  
9 pipeline rupture, which is a concern of mine. Facts like  
10 the Great Lakes Transmission Pipeline in December 27th,  
11 1968, had a rupture in their pipeline. It was thirty-six  
12 inches in diameter, grade sixty-five.

13 Now, Foothills plans to build  
14 their line with forty-eight inch pipe, grade sixty-five.  
15 Well that pipeline was operating at nine hundred pounds  
16 per square inch as opposed to Foothills proposal of twelve  
17 hundred and they had a propagating fracture. By the time  
18 it stopped, it was eight hundred and fifty-three feet long.

19 Now, how do we get those facts  
20 with this adversary process? They don't come out. The  
21 next stage where you have the Foothills, Arctic Gas, El Paso  
22 versus the public interest represented by eastern environ-  
23 mentalist groups, and other well funded agencies as opposed  
24 to anything we have up here, they can bring out points  
25 about preservation of the environment, about how we should  
26 be saving energy, about how land claims should be settled



1 first, how we should save the North and so on, but they're  
2 leaving out things too because they don't want to get into  
3 technical arguments such as pipeline rupture. They don't  
4 want to get to two fundamental question which are very dear  
5 to me, is is there gas to put in the pipeline, and secondly,  
6 is there a market for the gas?



1                   You may have learned during your  
2 trip to Alaska that Alaska has not yet given approval to have  
3 the gas taken out of the rock. The Director of Resources  
4 has said, 'yes, in his opinion two million -- two billion  
5 cubic feet a day is reasonable',       according to sound  
6 conservation principles. But the State of Alaska hasn't  
7 yet agreed to that.

8                   The second thing is nobody knows  
9 what the rocks in Alaska are going to do, whether or not  
10 the actual reservoir will allow two billion cubic feet a  
11 day, or more, to be taken from it without destroying the  
12 reservoir, that is making it uneconomic.

13                  The other thing is that these  
14 companies, Foothills, Arctic Gas, El Paso, are assuming that  
15 cap gas will be produced. If you remove cap     gas, you are  
16 destroying the pressure in the reservoir and the net result is  
17 that you are leaving oil in the ground, when instead they  
18 could remove all the oil, and that will take them forty  
19 years, and then at the end of that time, they have got all  
20 the gas to sell. If they really were interested in their  
21 resources, they should leave the gas in the ground until the  
22 oil is gone.

23                  Those are just some arguments  
24 that I haven't seen come out. The other is the fact that there  
25 may be no market. It's part of the popular wisdom that  
26 there is a shortage of gas in the States, well we all read



1 the newspapers, but it's a price thing. If the price was  
2 high, demand would be cut back. The other thing is that  
3 there is about five pipelines running north from Texas  
4 Oklahoma and places like that to the Chicago area where  
5 they say there is a gas shortage.

6 Surely, it is more reasonable  
7 to ship gas north through those lines than build a new  
8 one down from Alaska.

9 Well, those are just some concerns  
10 I had that I never saw really explained, because the  
11 government has seen fit to just go ahead, choose between the  
12 two applicants without deciding what is in the national  
13 interest first.

14 The next part concerns what effect  
15 it will have on the Yukon. With all the changes that have  
16 been made to the basic Foothills submission to the National  
17 Energy Board, the only thing that seems to be clear is that  
18 they are determined to have a sixteen per cent return on  
19 their investment, and they choose to make that investment  
20 in a pipeline. Any pipeline will do. They just want that  
21 sixteen per cent. The way I read that, as a Yukoner  
22 looking down on Alberta, looking back on Alberta, is that  
23 there is a large pool of money invested in Calgary and  
24 Edmonton that people want to see invested, and they are  
25 choosing it to put it in a pipeline, rather than other  
26 alternatives, which might, in the long run, get them a higher



1 return on their capital than on a pipeline. I'm thinking of  
2 energy saving technology and the things like this.

3 It concerns me that if this money  
4 is invested in the Yukon then what is being established is  
5 a hegemony, if you like, of Alberta over the Yukon.

6 Now, historically, the way I see  
7 it, having spent a good part of my life in B.C., the Yukon  
8 has more in common with B.C. because they are both regions  
9 which produce primary commodities. Up here it was trapping,  
10 gold mining, and also merchants, trading, whereas Alberta  
11 is sort of basically agricultural. There are fundamental  
12 cultural differences between B.C. and Alberta. If the  
13 pipeline goes through, then the Alberta influence up here  
14 will become very great indeed, and I think that that's in  
15 conflict with what has been here in the past. I'm not  
16 criticizing Alberta, it's just that the difference between  
17 Alberta and B.C. are quite great. The Yukon has existed,  
18 in the past, between the two, and not moving into the one  
19 basket.

20 The Alberta influence is already  
21 here quite largely in communications systems, road transport  
22 and now it's airlines, and with the pipeline, it will be  
23 labour as well.

24 In Mr. Lang's submission, he was  
25 saying that Yukoners want control of their own destiny. Now,  
26 I suppose that's true, but the way I understand it is that



Territorial Governments in the recent past, and in particular this Yukon Government, the one that is presently in charge, have been systematically handing out their sovereignty, if you like, back to Ottawa. I think that, well let's put it this way, Mr. Lang said that Ottawa controls everything, but he's forgetting that the Territory has complete power over the taxation of real property.

And what nobody has said, so far as I am aware, is that the Yukon has power to levy a tax on the pipeline to the tune of one million dollars per mile, per year, if they chose - they have that power. It's in the Ordinance. We've had that power for a long, long time. In other words, the decision is whether or not there's going to be a pipeline through Canada at all, depends on this Territorial Council. They could amend the Taxation Ordinance through a Private Member's Bill to say the tax on the pipeline shall be one million dollars per mile, per year and then the ball is in our court, which is where it should be. It's our land that's effected. But I don't think they will do that. I don't think they realize how much power they've got. I think that seventy-five years ago, the Territorial Council's we had were a good deal more responsible and a good deal more independent and imaginative than the ones we have now.

The other thing is, is the question of taxation through a toll traverse. In Mr. Berger's Report, he said, well, there's this pipeline treaty. Well that pipe-



line treaty hasn't been ratified by either the Commons or by the U.S. Congress, so it doesn't exist. All it says, and I have read it, is that the taxing of the contents of a pipeline, that is the material that moves through it, can't be discriminatory. So, if the Yukon Territory chose, they could tax what is moving through the pipeline, in addition to slapping a tax, raising a tax on the pipeline, instead

a miserable three million dollars a year. That's just a joke, provided they put that same toll traverse tax on the White Pass pipeline, so it's not going to be discriminatory at all. They could apply it on a B.T.U. basis on the number of B.T.U's moving through the pipeline. The power is already there.

There is another pipeline in the Yukon of course, that could be taxed in the same way, and that's the Pointed Mountain gas pipeline, which runs through a corner of the Territory. By saying that, I'm acknowledging the fact that the United States doesn't seem to understand the Canadian Federal system, and they don't seem to realize that the Provinces have far more taxing authority than an individual State in the United States. We should realize that we have control over whether or not the pipeline goes through the Yukon.

If the Territorial Council was to amend the Taxation Ordinance so that the pipeline taxes were to be, say, one million dollars per mile, per year, the



Commissioner could refuse to sign that Ordinance. He could refuse to give assent. That would be a very interesting situation. So, if this Council wanted to have a showdown with the Minister, they could spring that on him and get him to refuse. So you've got a nice situation that will sort of clarify things as to about where the power is. Also, of course, Ottawa could refuse -- now wait a minute, they could disallow the Ordinance, assuming the Commissioner gave assent to it, they could later disallow it. The last time that happened was in 1946. It hasn't happened for a long, long time, and that was over an essentially trivial item respecting the boundaries of the Kluane Game Sanctuary. But again, if Ottawa was to disallow the Ordinance, that would also clarify where things stand with respect to the autonomy of the Yukon Territory. I think the Council should try to do that just to see what would happen.

I'm pessimistic, because the Taxation Ordinance for the Yukon Territory, has a kind of a unique provision which it shares with the Northwest Territories, in that the rates of assessment on a pipeline are set by Commissioner's Order. They are not set by the approval of the Territorial Council. In other words, the Commissioner decides what the rate of taxation shall be on a pipeline or railway, or a power line. In no other jurisdiction in Canada has the elected Assembly done that. They have always kept powers to tax close to themselves, which is the



way it has always been under the English system. You don't surrender taxing authority to the Queen.

In B.C. they have a special section of their Taxation Ordinance which sets out the rate on pipelines. In Alberta they have a special Act whereby an assessor sets the rate on the pipeline. But in the Yukon it's done by the Commissioner's Order.

Pessimistic, as I say, about the Territorial Council's ability to effectively use the Taxation Ordinance to get something out of this pipeline.



1 And my reason for saying that is I've got knowledge first-  
2 hand.

3 At the last round of assessment of  
4 real property, I appealed the assessment on a particular piece of  
5 property because I felt the assessment was ridiculously low.  
6 The Court of Revision didn't agree with me. I went to the  
7 Supreme Court and the Judge said that, indeed, that assess-  
8 ment was invalid because it was over five years old and  
9 contrary to a particular section of the Taxation Ordinance and because the  
10 assessment was invalid, there was no way it could be taxed,  
11 so they didn't need to pay taxes. That isn't what I in-  
12 tended at all, but that's much like the Merchant of Venice,  
13 I got a little more justice than I bargained for.

14 But, what it meant was that any  
15 piece of real propoerty in the Yukon Territory whose assess-  
16 ment was over five years old did not need to pay taxes.  
17 Now I'm told that they may get the assessments all up to  
18 date this year, but as it stands they're three or four  
19 years in arrears.

20 Now, people have been paying taxes,  
21 but if the chose to take the Government to court to say you  
22 improperly levied on me and I want them back, what would  
23 the Government do? It would cost them a lot of money.

24 What's wrong here is the adminis-  
25 tration of the Yukon Territory under the previous Commis-  
26 sioner, Mr. Jimmy Smith, the previous Territorial Treasurer,



1 Mr. Merv Miller, and under the present Minister of Local  
2 Government, Mr. Ken McKinnon, they allowed this situation  
3 to occur. And now the Territorial Government may be caught  
4 hundreds of thousands of dollars as a result of their neg-  
5 ligence, if you like.

6 Now, this subject is kind of dear  
7 to Porter Creek. There are people here whose property has  
8 been recently assessed, they've caught up since 1969, and  
9 they've been hit with tax increases of three to four hund-  
10 red dollars in their tax bill, so that some families are now  
11 paying up to \$1,000.00 a year for taxes. So they're being  
12 carried -- they're carrying a disproportionate share of  
13 the load of the taxes here in this community. It's un-  
14 fair because the assessment on the railway, on the pipeline,  
15 on the various crown granted mineral claims and things of  
16 this kind has remained unchanged since 1969, but these  
17 people are having to carry the whole load. Maybe it will  
18 change at the end of this year, but I'm pessimistic.  
19 They've got an awful lot of work to catch up on. I don't  
20 think it will happen.

21 So, I think that the Territorial  
22 Council has been negligent in this respect and I'm pessi-  
23 mistic that they're going to be able to get the amount of  
24 money they're entitled to from this pipeline. I really  
25 think that they should try, as a bargaining point, a mil-  
26 lion dollars per mile per year and see what the gas com-



1 panies have to say.

2 And I would like to leave with you  
3 as exhibits, a copy of the current Taxation Ordinance, with  
4 the amendments, to date and a copy of my original notice of  
5 motion to the Supreme Court and a copy of the Judge's Order.

6 And that concludes my testimony,  
7 thank you.

8 (TAXATION ORDINANCE, APRIL 28/77 MARKED EXHIBIT 64)

9 (ORDER, SUPREME COURT, YUKON TERRITORY, FEB. 14/77  
10 MARKED EXHIBIT 65)

(EXCERPT FROM Y.T. DEBATES, MAR 3/77)

11 MR. CHAIRMAN: All right, Mr.

12 McCandless, for those documents and for that interesting  
13 range of observations and possibilities and I won't by any  
14 means try to summerize. You did mention one matter in pas-  
15 sing that I was struck by and that had to do with the  
16 feasibility, if I heard you correctly, of reinjecting gas  
17 in the, where it's coming out of the ground, along with  
18 the oil at Prudhoe Bay, for an indefinite period until the  
19 oil runs out, and I think you mentioned that if that took  
20 forty years then fine. Is that based on a study or a par-  
21 ticular report. It's the first time that I can recall  
22 hearing that the gas could indeed be reinjected indefintely.

23 MR. MCCANDLESS: That was present-  
24 ed in Volume IV of Foothills -- I'm not sure of the Volume  
25 number, the supply volume of the Foothills application,  
26 where they include the entire report by Kore Laboritories



1 of Texas as to how the various production options from the  
2 Prudhoe Bay resevoir. And that was one option they looked  
3 at. They considered it economically feasible to do that.  
4 Certainly there is some cost in reinjecting it, but it's  
5 not prohibitive.

6 MR. CHAIRMAN: That's rather in-  
7 teresting. The related points you made that indeed gas  
8 was necessary for the production of oil, at least for an  
9 initial period of time, is made in the FPC report, Federal  
10 Power Commission's recommendations to the President, but in  
11 terms of the period of time in which the gas could be  
12 stored, as I say, I do not recall emerging in that report.

13 MR. MCCANDLESS: Well, they assume  
14 they would....

15 MR. CHAIRMAN: Thank you, once  
16 again, Mr. McCandless.

17 Yes, Mr. Hibberd.

18 MR. JACK HIBBERD: My name is  
19 Jack Hibberd. One point, Mr. Lysyk, on this. This is  
20 purely a technical question that you have just entered into  
21 and I wonder if we could ask the experts now about this  
22 reinjection of gas. I understand it has a limit of some-  
23 thing like two years. I wonder if we could ask the experts  
24 that are here now?

25 MR. CHAIRMAN: Mr. Burrell, would  
26 you like to address yourself to that question?



1 MR. BURRELL: I'm not an expert  
2 in this area and that's for sure, but all I can relate is  
3 the information that I've received and I understand and  
4 that is that gas can economically be reinjected for a per-  
5 iod of two to three years. Now, I'm not familiar with what  
6 Mr. McCandless is saying with regard to this particular  
7 report that he's talking about, but, so I can't comment on  
8 what he's saying, but all I can comment on is that the in-  
9 formation that I have in talking to a number of people,  
10 both in Alaska and in Canada, is that reinjection can be  
11 economically be done for something like two to three.  
12 That's the best information that I have.

13 MR. BURRELL: Thank you, Mr.  
14 Burrell.



REV. MOLAND: My name is Robert Moland. This short brief reflects a consensus among the pastors from the Anglican, Lutheran, Presbyterian, Roman Catholic and United Churches in our community. We appreciate the opportunity to underline to this Inquiry some points that we think need consideration before the question of any pipeline development is resolved. The points are three.

Number One. Native Land Claims must first be settled. The Government of Canada has come to recognize the legitimacy of Yukon aboriginal rights. The native people of the Yukon through the Council of Yukon Indians, the CYI, were engaged in serious negotiations with the Federal Government to settle their land claims. We would urge the Federal Government and the CYI to resume this negotiating process in good faith and continue without further interruption. We strongly emphasize that it is most important for a settlement to be reached before a decision is made re a pipeline or any major development in this Territory.

Two. A just land settlement is imperative for all Yukoners. A just land settlement would enable all Yukoners to participate fully in determining the conditions for any major future developments in the Territory. Together, the people of the Yukon thus would have a greater share in deciding their own future.



Three. Social concerns. We are seriously concerned about the social impact of any major development upon the communities to whom we minister. We believe that the stability and well-being of our communities is more sacred than pipelines or individual opportunists. Therefore, we strongly urge that safeguards be written into any future development licence in order that our communities can be protected from the detrimental impact of major development, and the social costs thus minimized.

We affirm the conclusion of the 1975 Labour Day Message of the Canadian Catholic Conference entitled, "Northern Development: At What Cost?" It says:

"As Christians, as citizens, we have a responsibility to insist that the future development of the Canadian North be based on social justice and responsible stewardship....

Ultimately, the challenge before us is a test of our faithfulness in the living God. For we believe that the struggle for justice and responsible stewardship in the North today, like that in distant Third World countries, is the voice of the Lord among us."

This statement appears over the names of The Right Reverend John T. Frame, 8th Bishop of



Yukon; The Reverend Robert C. Moland, Pastor at Trinity Lutheran Church, Whitehorse; The Reverend Norman D. Allison, Pastor of First Presbyterian Church, Whitehorse; The Most Reverend Hubert P. O'Connor, O.M.I., Bishop of Whitehorse; The Reverend John C. McAllister, O.M.I., Pastor at Sacred Heart Cathedral, Whitehorse; The Reverend Donald G. Lewis, Pastor of Whitehorse United Church.

Thank you.

MR. CHAIRMAN: Thank you very much Reverend Moland for that submission.

MS. REID: My name is Alison Reid, and this is Cathy Langston.

This submission is being made by Greenpeace Yukon, a branch of the Vancouver-based Greenpeace Foundation. We're a small group here; about five people work at various projects from time to time, mainly promoting anti-whaling and anti-sealing campaigns. The main belief of Greenpeace is that the earth is a being, and that all life must be treated with respect, not abuse. That is a sentiment that we feel is shared by many Yukoners.

We have a concern that you have heard time and time again -- that people here haven't been enough time to study and think about the Foothills proposal and how it will affect their lives and environment -- their total environment. We aren't convinced there is a need for the pipeline, either. If the United States put ten to



1 fifteen billion dollars into alternate energy sources, the  
2 whole world would be better off, for eternity, rather than  
3 just being stuck with one more pipeline, and an expensive  
4 one at that.

5 The Americans are amazing with  
6 their technological abilities. It is at this time that we  
7 are counting on our neighbours to rid us of our dependence  
8 on hydrocarbons for energy. This has to be done. We all  
9 know that. So why not now?

10 We suspect that the "energy  
11 crisis" just may be a deliberate scare tactic of the oil  
12 industry. That would make the whole northern pipeline  
13 debate even more tragic than it is now. Five years ago,  
14 oil companies were saying Canada had enough energy for  
15 generations to come, and even today there are estimates of  
16 enough gas for ten to fifteen years.

17 As for Canadian-American relations,  
18 the good neighbour policy is commendable, but in the case of  
19 this pipeline, the cost is too high for Canada.

20 Our Concerns. The Indian land  
21 claims. Land claims, of course, must be settled and  
22 implemented before any pipeline project is built in Yukon;  
23 ten years is but a short time to perfect institutions for  
24 the Indian people here, and for a relationship between two  
25 races to be established and working well.

26



Land claims is important in that it must make up for over 100 years of slow but sure invasion, occupation and dominance. The Yukon Indian culture is on its last legs. It must not disappear. It must be enriched through the efforts of its own people. It also relates to the environment, as was pointed out to Dr. Hill's panel. Land claims will greatly affect land use patterns in a territory which now has no land use plan. A pipeline would certainly jeopardize all that, unless all local people were satisfied with all aspects of it.

The Environment. There has been evidence at the formal hearings to this Inquiry and at the Environmental Assessment and Review Panel that governments and the YTG Wildlife Branch need at least two to three years to prepare for this pipeline. There are serious information gaps, as well as planning and regulation gaps that must be filled before the first tree is killed to make way for construction camps.

It amazes us that Foothills would have the gall to think we would tolerate a pipeline through a game sanctuary, a national park and several International Biological Program sites. We simply cannot have that. We also share the other environmental concerns of the Wildlife Branch, the Federal Fisheries and Environment and the Yukon Conservation Society and Mr. Templeton's panel.

The dangers of rupture and



1 forest fires bothers us. As Rob McCandless says, rupture  
2 can occur from a variety of sources - manufacturing  
3 defects, corrosion, damage, improper field practices,  
4 human error and frost heave. If there's going to be \$1.3  
5 billion spent on pipeline construction through the Yukon,  
6 we can afford to take no risks with wildlife or  
7 vegetation. No fires. No disturbance to animals.

8 We are also concerned about the  
9 northeast corner of British Columbia, where over four  
10 hundred miles of untouched wilderness would be crossed by this  
11 same pipeline. As yet, no highways run through that  
12 area. It should be a concern to all people of the Yukon,  
13 and Canada, who believe in preserving our rapidly-vanishing  
14 wilderness.

15 We ask this Inquiry to at least  
16 get a statement from the B.C. Government of what they are  
17 going to do in regards to the Foothills proposal. We fear  
18 that it is very little, and there is no doubt in our minds  
19 that environmental damage in B.C. would be greater than in  
20 the Yukon, just because of the number of miles of  
21 wilderness that would be broken.

22 There is a great deal of  
23 information needed for this pipeline proposal. We in the  
24 Yukon must know before we give any approval of exactly how  
25 badly we will suffer. Any other circumstances would be an  
26 abuse of the political process, and the rights of northerners.



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The necessary studies can only be completed, given the funds and commitment of the Federal and Territorial Governments, and of course, Foothills.

MR. CHAIRMAN: Thank you Ms. Reid. Ms. Langston, you have a separate statement, I gather.

MS. LANGSTON: We're just reading the same brief. We didn't feel like reading the whole thing ourselves.

The Dempster Highway and its eventual use for a pipeline route from the Mackenzie Delta is a grave concern of ours, because of the effects it is having and could have on the Porcupine Caribou Herd.

That herd has been wandering across thousands of square miles of tundra and mountains in the Northern Yukon, the Northwest Territories and Alaska for over thirty thousand years.

Now a road is being built across their winter range and migration routes. Several groups, including ours, have objected to the highway's completion until more is known about the herd. The pleas have only been slightly heard by insensitive ears in Ottawa.

We feel that a Dempster lateral pipeline route from the Delta is inevitable if the Alaska Highway route is approved. It should not be built, because of the danger to the caribou.

We have a responsibility to



1 protect the herd. We have no right to interfere with it.  
2 The Dempster Highway must also not be used for hunting,  
3 either by whites or natives. We don't think that aboriginal  
4 rights extend to the use of a modern road. The Indians  
5 should be limited to traditional areas, something the  
6 caribou are used to. There are few studies on the herd, and  
7 only one we know of that tries to show some caribou behavior  
8 with the highway itself. Even that one, by Surrendi and  
9 DeBock of the Canadian Wildlife Service, admitted: "The  
10 effect of a transportation facility crossing the winter  
11 range and migration paths of a large population of  
12 migratory barren ground Caribou is not understood."

13 With words like that, it becomes  
14 obvious that our responsibility now is to ensure that the  
15 highway and its uses does not affect the herd adversely.  
16 Now that the Federal Government has committed itself to  
17 finishing the highway, a proper, well thought out and  
18 thoroughly researched management program is essential.  
19 And that must be proven workable and effective before any more  
20 thought can be given to a pipeline in the area, which would  
21 require winter construction because of permafrost conditions.

22 Foothills has shelved its  
23 Mackenzie Valley pipeline application for the time being and  
24 says it could use the Dempster as an alternative route.  
25 Because few people live in the area, with the exception of  
26 the native settlements of Fort McPherson and Arctic Red River



1 in the NWT, it would be very tempting for the Federal  
2 Government to use that route instead of the Mackenzie.  
3 Foothills seems to think so.

4 There is always a bright side  
5 to everything, and they don't always go unnoticed,  
6 especially these days. Since the Berger Report, a lot of  
7 money and manpower has been thrown into studies of the  
8 Yukon environment.

9 The continuance of this research,  
10 the funding of interest groups and public input should lead  
11 to an exciting plan for the future of the Yukon. This  
12 plan would eliminate the need for rushed inquiries such as  
13 these, which one may suspect to be snowjobs by the Federal  
14 Government, with a decision already made. That is unfortunate  
15 and unjust in the face of the sincere efforts made by all  
16 involved in these inquiries.

17 Continued research into our  
18 environment would also create employment for a wide range  
19 of researchers and technicians. Because of the long-range  
20 nature of it, the training of the native Yukoners to fill  
21 these positions would be possible and, naturally, desirable,  
22 adding to their effectiveness, both as citizens and as  
23 technicians. This can be of long-term advantage to the  
24 Yukon.

25 The ultimate goal of such research  
26 should be to develop the data and information on which all



application from large industrial development can be evaluated. Besides the scientific studies, public input should be solicited.

With such a development policy, there would be less susceptibility to high-pressured public relations campaigns by individual companies, to short-sightedness by individual governments, who by definition tend to limit their planning to four year terms, and to inclinations of people in general to trade off short-term benefits for the long-term good.

Also, we could benefit from international co-operation with such countries as the U.S.S.R., the U.S. and the Scandanavian countries, sharing information and experience and exchanging experts and researchers.

Conclusion. If the federal government does decide to use the Alcan route - and we are hoping they will decide in favour of no northern pipeline - it must be on three conditions:

(1) Settlement and implementation of Indian land claims first,

(2) The United States must agree to reduce its natural gas imports from Canada, and

(3) The Yukon must be allowed to use any quantity of natural gas it desires, for electrical generation, at a price equivalent to the Canadian



national average for electricity.

Free gas, as has been suggested by Mr. Templeton, would be fantastic. But that could lead to waste, and we believe in conservation. Some have suggested we build hydro dams to power the pipeline gas flow. No way. The pipeline would be bad enough. If it must come, let's use it to our advantage. Let the pipeline be our insurance against further ecological destruction of the Yukon wilderness. We could not tolerate a pipeline otherwise. We don't want one through the Yukon, but if it's going to be built here, let's make sure the people here don't suffer from it.

Thank you.



1 MR. CHAIRMAN: I wonder Ms.  
2 Langston, just before you leave the microphone or Ms. Reid,  
3 if I could just ask one point of clarification. You did  
4 say towards the end of your presentation, that you hoped  
5 the Canadian Government's position would be against a  
6 northern pipeline. So I take it against a northern pipeline  
7 through Canada? Let me put it another way, does Greenpeace  
8 take the position that the all-American route and shipping  
9 gas in liquid form through tankers is the preferred route  
10 or the lesser of evils if I could put it that way.

11 What is your position on that?

12 MS. REID: Well, we aren't  
13 very pleased about the possible ecological effects of the  
14 El Paso suggestion either. In fact, we'd kind of like it  
15 if the Canadian Government would not allow any northern  
16 pipeline and then impose a two hundred mile limit, but  
17 that doesn't seem very likely.

18 It's really difficult in a case  
19 like that. I think what we sort of came to the conclusion  
20 of, was that we don't want one through the Yukon now and if  
21 we can delay that, that's our primary purpose.

22 MR. CHAIRMAN: But, you prefer  
23 not to take the position as to whether the El Paso route is  
24 indeed a preferred route from your point of view. I'm  
25 just putting the question - suppose Washington does not  
26 heed your advice to develop alternate modes of energy and



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1 decides to move U.S. gas from one point of the U.S. to  
2 another part of the U.S. by the only remaining alternative.  
3 That is something you would view with greater equanimity I  
4 take it, would prefer than using Canada or part of Canada  
5 as a land bridge?

6 MS. REID: Well, at this point,  
7 we're sort of attacking each problem one at a time.  
8 Personally, I would be against -- I'd be doubtful about  
9 the El Paso route. I don't know a great deal about it at  
10 this time, but I think that the possible ecological effects  
11 of a supertanker cracking up, would be pretty devastating  
12 too.

13 I am not being exactly clear on the  
14 position because I find it difficult to make a position on  
15 that point, but yes, I would prefer an El Paso route over  
16 the northern pipeline.

17 MR. CHAIRMAN: Okay, thank you  
18 very much.

19 MR. TANNER: My Lysyk, my name  
20 is Clive Tanner. The opinions that I'm going to offer  
21 tonight are mine. Mine and my wife's. Before getting into  
22 my submission, I would like to welcome you as a distin-  
23 guished gentleman from the South and Chairman of this Panel,  
24 to Porter Creek. We're glad you're here. We're glad you  
25 came to Porter Creek, but I'd particularly like to welcome  
26 the other two members of your Panel to Porter Creek, because



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1 they're third generation Yukoners. In Whitehorse and in  
2 Yukon in general, we so often see a panel of people sitting  
3 in your position who we never see again, we've never seen  
4 before and who've got little or no interest in the territory  
5 other than the time that they're here.

6 So welcome to Porter Creek and  
7 welcome to the other two members.

8 I've lived in the Yukon nine  
9 years or just going on nine years. Eight of those years  
10 have been in Porter Creek. In the nine years that I've  
11 lived here, there is a lot of things taken place. I was  
12 astounded to find when I came here nine years ago, that  
13 there wasn't a universal medi-care plan. I was astounded  
14 to find out that nobody took care of people -- alcoholics,  
15 that nobody took care of mentally and physically retarded,  
16 that we had no child care centers, that we only had one  
17 lodge for senior citizens in Whitehorse, that there was no  
18 bus system, there was no facilities for children - both  
19 teenagers and young children, virtually no facilities for  
20 them.

21 All of these things have come  
22 about in the last nine years since I've been here. We've  
23 got a medi-care plan, we've got a detoxication centre,  
24 we've got a Crossroads to look after alcoholics, we've got  
25 a rehabilitation centre, we've got five child care centres,  
26 we've got a bus system and we've got MacCauley Lodge for



1 senior citizens. All those things have happened for three  
2 reasons. One, there was a need; two, there was motivation  
3 by the people here; and thirdly, there was money. Money is  
4 referred to -- is a crude way of putting finances, but it  
5 was money. It might have been private money, it might have  
6 been government money, but there was money to do it.

7 In the private sector, in private  
8 services as I call them, there was one medical clinic,  
9 there was three law practices, there were no consulting  
10 firms in engineering, there was two visiting medical  
11 specialists and there was no universal communication system  
12 as we have with Anik. Since then, there's now three  
13 medical clinics - there was only one; there's six law  
14 practices - there was only three; we have two consulting  
15 firms and we have seven visiting medical specialists.

16 All those things happened because  
17 of the increase in population and because of money. In  
18 business, there was no shopping centre, there was only two  
19 banks, there was no book store, there was no art gallery,  
20 there was only two decent restaurants, there was three  
21 department stores and two of them have expanded since,  
22 there was two drugstores, there was one established news-  
23 paper, there was three channels on cablevision, there was  
24 one finance company, and all these businesses have been  
25 expanded where we've four banks, six restaurants -- good  
26 restaurants and apart from the ordinary run of restaurants,



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1 another department store, three drugstores, two well  
2 established newspapers, six channels on the television,  
3 and three finance companies.

4 All those things happened  
5 because they were needed, because business realized the  
6 need, they had the money to put them in. In nine years,  
7 I think a lot of us have forgotten that those things have  
8 happened. We take them for granted now. In the govern-  
9 ment sector when I came here nine years ago, there was  
10 virtually no participation in Territorial Government,  
11 other than seven elected Territorial Councillors. We now  
12 have an expanded Council to twelve and it's going to go  
13 to sixteen.

14 There was no Cabinet in this  
15 territory. The Commission had carte blanche rule over our  
16 lives. We now have an Executive Committee which are you,  
17 the members sitting in front of you - the people sitting  
18 in front of you, being represented by their elected  
19 Territorial Councils in the day-to-day decisions and  
20 running of this territory.

21 We have far better housing  
22 than when I came here. They were slums right along the  
23 river between the bridge and the industrial area. They've  
24 virtually all disappeared now. We have better roads. When  
25 I first moved to Porter Creek, the only way you could get  
26 up -- drive here was on a dirt road on the side of a cliff



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1 and we have better roads, believe it or not even in Porter  
2 Creek and they're going to get better. We have water and  
3 sewer.

4 All these things have happened,  
5 Mr. Chairman, because as I said previously, the need was  
6 there, the motivation was there to bring them about, but  
7 they all had to be funded one way or another. The biggest  
8 thing that's happened to us in nine years, from a business  
9 point of view I suppose, is Anvil. That's been the  
10 greatest single source of funding in this territory, one  
11 way or another, either through salaries or through taxes.

12 We now find ourselves in a  
13 position which was illustrated last summer where that mine  
14 -- where the Anvil Mine went on strike and for six of the  
15 twelve months or five of the twelve months, we didn't  
16 have an alternative income, other than the small mines and  
17 tourism. We need another alternative. This pipeline  
18 appears to me as one of the logical alternatives.

19 We need a lot more things besides  
20 the things that we've accomplished in the last nine years.

21 I think we've got reason to be proud of what we've  
22 accomplished in the last nine years. One of the things we  
23 need and this isn't going to go down well with perhaps  
24 some Yukoners who've been here a long time, but we need  
25 to double the population. We need to double the population  
26 because from a business point of view, we haven't yet found



1 a viable market. As far as southern supplies are concerned,  
2 twenty-three thousand people isn't a viable market.

3 We need a recreational and  
4 cultural complex. We need more competition in your  
5 business. We might even need another bookstore. We need  
6 to further upgrade our municipal services. We need even  
7 better facilities for older residents. We need more parks  
8 for the children, we need more and better facilities of  
9 what all those facilities that I mentioned before. My God  
10 sir, do we have a need to beautify Whitehorse. It's got to  
11 be one of the ugliest cities in Canada. There's virtually  
12 no beautification takes place now and it's the sort of  
13 frill that can only take place when there's a little extra  
14 money around to do it.

15 We need another air carrier out  
16 of here. There's no way that we should be tied down to  
17 one particular air carrier to give us the service that he  
18 pleases. He should have some competition. We need better  
19 tourist facilities. There's not very much for a tourist  
20 to do when he comes here. We need more campgrounds, we  
21 need more public transit, we need more facilities for teen-  
22 agers, we need a university or a junior college and we  
23 need far more cultural activity. There's a dirth of  
24 things here, all of which might be helped by a pipeline.

25 Mr. Chairman, when I came in  
26 this evening, I knew I was going to be in disagreement with



1 some people. I knew I might have a disagreement with  
2 Greenpeace; I knew I might have a disagreement with some  
3 environmentalists; I knew I might have a disagreement with  
4 some sociologists, but I didn't think I was going to take  
5 on the church too. I think that was a bit of a surprise.  
6 Hower, I'm glad to hear your submission gentlemen. I  
7 entirely disagree with it.

8 Of the groups that seem to be  
9 taking a negative attitude, they appear to me to fall into  
10 three groups. One of them is the Indian, is the Indian  
11 leadership of this territory.

12 If I was an Indian in their  
13 situation and, of course I'm not, but if I was and if I  
14 might be presumptuous enough to give them some advice, I  
15 would be saying without prejudicing our land claim and  
16 without prejudicing their negotiations and even in addition  
17 to them, we want the pipeline to benefit our people for  
18 such things as more jobs available to us, training -- funds  
19 made available so we can train schoolteachers; so we can  
20 get our point of view in the school; training for nurses  
21 so that our people can be nursed not only by white people,  
22 but by Indian nurses; training for social workers so that  
23 when a social worker comes into our homes, we can talk to  
24 them on the same basis as we can to any of our friends and  
25 they shouldn't always be white; and more time and more  
26 money so that we can manage our own affairs.



1 I'd also be saying, I think I  
2 might as a negotiating point say, I'll tell you what else  
3 we want, we want the main contract on the pipeline. We  
4 want to be the prime contractor on that pipeline. Finally  
5 I would be saying, providing an income for us as individ-  
6 uals, to make a choice as to how we want to live. Whether  
7 we want to live in the traditional off-the-land manner or  
8 whether we choose as individuals, to live like any white  
9 society in an urban centre, but that choice should be  
10 made as individuals.

11 I'm not convinced that what  
12 your Board has been hearing and certainly what I've been  
13 reading in the newspaper, is necessarily the opinion of  
14 individual Indian people in this Yukon, their Yukon.

15 I have a comment about the  
16 sociologists and environmentalists too, sir. First of all,  
17 it's noticeable that a great number of them don't appear  
18 to have very much stake in the territory. A lot of them  
19 are Federal Civil Servants who quite frequently are only  
20 here two or three years. Secondly, they're coming from  
21 larger centres and I think they're bringing the point of  
22 view and the point of view which is made up of problems  
23 that they find in the larger centres and they automatically  
24 assume if we haven't got them, we're going to get them  
25 fast here. I don't think that necessarily follows.

26 Finally, and I guess the one



1 that probably grinds the most with Mr. Phelps and Mrs.  
2 Bohmer, is that I'm afraid that old time Yukoners are going  
3 to face the fact that you're going to get a lot more people  
4 here, whether it's for the pipeline or in the subsequent  
5 ten or fifteen years, but you're going to get more people  
6 here. It's inevitable.

7 I have two or three conclusions  
8 -- if I can find the page -- I think there should be a  
9 pipeline. I think it should be carefully planned. I  
10 think we should move with great caution. I think we should  
11 build in a lot of safeguards, but I think there should  
12 be a pipeline.

13 A couple of suggestions I would  
14 make is: one, that it should adhere as closely as possible  
15 to the highway. I think the Territorial Government won't  
16 like this, but I think funds should be allocated to each  
17 individual L.I.D. or township that the pipeline passes  
18 through, to use at their own discretion and it shouldn't  
19 affect the funds that they're getting from the Territorial  
20 Government now.

21 I think we obviously need  
22 diversification from our present dependence on mining and  
23 tourism and this is one way to get it. Finally, I think  
24 if it was possible to appoint an ombudsman to look after  
25 the problems that are obviously going to arise, and they  
26 have somebody to appeal to, who hasn't got a vested



1 interest and all of us have, but if it was possible to  
2 find such a person, it might solve a lot of the problems  
3 which people see. Finally, if I might say, I think there  
4 has been far too many people crying wolf on this pipeline,  
5 I think we should be getting on with it in a reasonable --  
6 in a fairly reasonable manner and fairly quickly. Thank  
7 you.

8 MR. CHAIRMAN: Thank you very  
9 much Mr. Tanner, for that submission and the time and  
10 effort you've obviously put into preparing it.

11 Okay, can I ask if someone  
12 else now would like to come forward? Yes?

13 MS. CARRUTHERS: My name is  
14 Sue Carruthers. Mr. Lysyk, Mr. Phelps, Mrs. Bohmer, I sat  
15 at my kitchen table this morning, trying to think of how  
16 to start this presentation. The more I thought, the more  
17 my stomach tied up in knots.

18 I know I don't want to see this  
19 pipeline or any other pipeline - smelter, water diversions,  
20 or what have you, to happen. I love this territory the  
21 way it is and it would be a crime to mother nature and to  
22 every other human being, whether they realize it or not to  
23 change it. I recently returned from a trip to Calgary,  
24 my former home of fifteen years. Even with family and  
25 friends nearby at all times, I found Calgary to be a  
26 nightmare. It was upon my return to Yukon, that it hit me



1 very hard how much I loved this area the way it is now.  
2 The thought of several hundred or thousand people, new  
3 businesses that aren't really needed here, invading Yukon  
4 in aid of construction of the pipeline and staying on  
5 hoping for more progress as a result of the pipeline, makes  
6 me feel sick and helpless.

7 I say sick because I know our  
8 Yukon Government wants Yukon to be like other affluent  
9 provinces, but do they, the Government, realize -- really  
10 realize that with more supplying, there is constantly  
11 more demand and it is a vicious circle. What will we all  
12 do when there cannot be anymore supplying? I said I feel  
13 helpless because I'm sure this government only looks ahead  
14 for themselves and only for a very short period of time.  
15 This territory is a homeland, not a frontier to be  
16 exploited. Let's keep it as a homeland, rather than an  
17 industrial supply corridor for the United States.

18 Why should we the people of  
19 Yukon, have to change this wonderful place to live because  
20 of the wants of people who don't know of anything other  
21 than demand and needless consumption? We should not have  
22 to prepare ourselves for consequential changes resulting  
23 from a pipeline. The people who say that they need it  
24 should take a hard look at how they consume the gas and  
25 eliminate their wastes.

26 In closing, I'd like to read



1 to you a short lesson I found in a book from my own  
2 library, called 'The Gospel of the Red Man', an Indian  
3 Bible compiled by Ernest Thompson Seaton in 1937. It's  
4 called the 'Old Onion Cellar'.

5 "In a shady corner of the great market at  
6 Mexico City was an old Indian named Potalamo.  
7 He had twenty strings of onions hanging in  
8 front of him. An American from Chicago came  
9 up and said, "How much for a string of onions?"  
10 Ten cents, said Potalamo. "How much for  
11 two strings?" Twenty cents was the reply.  
12 "How much for three strings?" Thirty cents  
13 was the answer. "Not much reduction in  
14 that" said the American. Would you take  
15 twenty five cents? No, said the Indian. "How  
16 much for your whole twenty strings said the  
17 American?" I would not sell you my twenty  
18 strings replied the Indian. "Why not?" said  
19 the American. "Are you here to sell your  
20 onions?" No, replied the Indian. I am here  
21 to live my life. I love this marketplace.  
22 I love the crowds and the red serapes, I love  
23 the sunlight and the waving pimentos. I love  
24 to have Pedro and Louise come by and say Buenos  
25 Dios and light cigarettes and talk about the  
26 babies and the crops I love to see my friends.



Ms. S. Carruthers  
Mrs. Lang

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1           This is my life. For that, I sit here all day  
2           and sell my twenty strings of onions, but if I  
3           sell all my onions to one customer, then is my  
4           day ended. I have lost my life that I love  
5           and that I will not do."

6                               Well I finally made it up here  
7           and I must say I'm glad I did. I was one of those  
8           intimidated persons and couldn't get myself together  
9           enough to speak to you at the last Inquiry. I hope what  
10          I've said tonight came through to you clear enough so  
11          you'd understand my deep feelings about the pipeline in  
12          Yukon as it is now.

13                            I find it very hard to find  
14          the right words to express myself adequately. Thank you  
15          for listening.

16                           MR. CHAIRMAN: Thank you very  
17          much Ms. Carruthers. We much appreciate your coming for-  
18          ward to let us have your view. Yes?

19                           MRS. LANG: My name is Mrs.  
20          Lang. I've lived here for twenty years and my husband and  
21          I have always been in construction. I have listened to  
22          all these briefs and whatnots that have gone on tonight.  
23          I've listened to the church, and to the atherial  
24          situations that everybody is talking about and never once,  
25          have I heard mention of the chap that wants a job.

26                           The guy that wants to go to



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Mr. L. Blouin

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1 work. Now this summer, there isn't very much work. We  
2 get calls everyday from people who want a job. Now, the  
3 pipeline is going to offer jobs. It's not only going to  
4 offer them during construction, but it's going to give  
5 permanent jobs following construction and that is going to  
6 help everybody in the Yukon. If we don't have the jobs  
7 and we don't have that chap with the lunch bucket, we  
8 haven't got many people to sell much to.

9 We have lived in boom towns  
10 where people we have moved in, because there was work and  
11 we have never found that these construction people are  
12 as disrupting as seems to be the general opinion. Now, I  
13 don't think that Foothills Pipe Line is going to come down  
14 through the Yukon to rape and pillage the land. I think  
15 that they probably know how to build a pipeline and I  
16 think they probably know better, than any brief that has  
17 been presented to this Council. Thank you.

18 MR. CHAIRMAN: Thank you very  
19 much Mrs. Lang. Yes sir?

20 MR. BLOUIN: My name is Louis  
21 Blouin and I'm retired. For the past twenty-five years,  
22 I've been living somewhere on the Alaska Highway working  
23 for the CN. They kept moving me around. I bet I've lived  
24 in every community or very close to it, that exists on the  
25 highway. I've spent the last twenty years here in the Yukon  
26 and the last two years right around here.







1  
2 and a lot of them originate outside of the continent. A  
3 lot of people are interested in not cutting that oil down  
4 there for various reasons and I don't go along with them  
5 for that. I think that the economy of Canada has been  
6 running rather badly the last couple of years. Only a  
7 month ago on the TV, I heard Mr. Broadbent ask Mr. Trudeau  
8 what was he going to do or what was he doing about the  
9 high unemployment rate. Mr.  
10 always talks -- said well  
11 unemployment rate is directly connected to the state of  
12 the economy. When the economy is good, the employment rate  
13 is down and when the economy is bad like it is now, well  
14 naturally, it's going to be high.

15  
16 what are you doing about it. So he said, well, there's  
17 not much to do right now, he says, our economy is so close  
18 tied to that of the Americans, that when theirs goes up  
19 and improves, it will automatically take ours with it. So  
20 if he's right, the only logical thing I can say is, why  
21 the devil don't we help the Americans get their economy  
22 moving, so ours will move.

23  
24 way I see it is, when they start putting oil down the  
25 Coast, the stage of the art of sabotage is such, you can  
26 expect a few oil splashes on the west coast beaches.



1 So, I think it would be a good idea if we also advised them  
2 not only to put a gas pipeline down there because we'll get  
3 an awful lot of benefits from it, but also an oil pipeline  
4 in case they have problems on the Coast. You see, that will  
5 save our beaches.

6  
7 Blouin for coming forward. I'm impressed at how skillfully  
8 you hide the notes that you refer to. I wonder if this  
9 wouldn't be a good time to take a coffee break of about  
10 ten or fifteen minutes.

11 (PROCEEDINGS ADJOURNED)

12 (PROCEEDINGS RESUMED)

13  
14 gentlemen, I wonder if we might return now. Perhaps I  
15 could ask if someone by the door to be loud enough to give  
16 a signal to the people who are out  
17 wonder if I could now ask if someone  
18 come forward please and express a point of view or ask a  
19 question or make a comment?

20 MR. MacKENZIE: My name is  
21 Chuck MacKenzie. I work for a local construction firm in  
22 Whitehorse - Moon Construction, and I'm also associated  
23 with a trailer court. I would just like to state that myself and, I believe, the  
24 firm I work for, and our trailer court, is in favour of  
25 the pipeline. The sooner it goes in the better and it is  
26



Mr. C. MacKenzie  
Mr. T. Fekete

1 also my feeling that these people that are  
2 are stating a lot of these facts, to me it sounds like  
3 they're talking about a pipeline that's going to take fifty  
4 years to build instead of maybe four or five.

5 we're only going to have problems  
6 we're only going to have or years and  
7 we're going to get the benefit. Thank you.

8 Thank you very  
9 much Mr. MacKenzie for coming forward. ask if some-  
10 one else now would like to state a point of view or ask  
11 a question? Yes sir?

12  
13 Fekete. I'm not from this community  
14 community of Whitehorse, but unfortunately in Hillcrest,  
15 we will have no hearing and that some-  
16 body should voice a few words for it. for Hillcrest  
17 at least for myself.

18 I am only --  
19 who operate here today. Twenty-four years  
20 territory. I worked on two pipelines which very few people  
21 can say in this hall. I have walked approximately about  
22 six hundred miles working on pipelines --- oil  
23 pipeline and I worked on oil pipeline up here.  
24 That's why we came to

25 It was amazing for me. I  
26 might amuse myself when I listen to some of the statements



1 that came out here today, however, I was very very pleased  
2 to see an economic movement on behalf of the clergy here,  
3 they presented a very nice view and it's -- economism work at least,  
4 on a pipeline level.

5 Another side, I don't think I  
6 have to go back on economic necessities of the pipeline.  
7 Mr. Tanner made it very clear that a pipeline is economic  
8 necessity for Yukon Territory and indeed for us, for all  
9 Canada. At present time, this country has a hundred twenty  
10 billion dollars gross national debts or press doesn't  
11 publish it very much or politicians are even quieter about  
12 this fact. Every cent we can produce or we can get  
13 for an investment in this country, foreign exchange -- is  
14 a very very valuable dollar to this country at the present  
15 time.

16 Quite frankly, I don't think  
17 we can turn off the money which we can earn -- this country  
18 can earn through this pipeline. I think it is an economic  
19 necessity that we have those dollars. It's very easy to  
20 talk for those people who up till now, perhaps in turn,  
21 they didn't have to earn their livelihood for twenty-five  
22 or thirty years of work who still came out, who are still  
23 in school or whose life is still financed by the parents  
24 or by their school laws or other methods. But the fact  
25 is, that taxpayers, people who work, and people who  
26 produce, people who build this country and people who



The question -- the other question is, the native land claims settlement. The native settlement cannot prejudice the pipeline. The interest of the native people is similar to that of other people. The two -- the construction of the pipeline, the native land claims settlement has to go hand in hand. If I was a native just like Mr. Clive Tanner said, I would push that, I want to settle those land claims tomorrow morning. It is possible, or even tonight, so I can take a meaningful part in the construction of that pipeline. Train the people on the job training programs which the pipeline offer at the present time. Train the people so they can take a job on the pipeline, so they can earn their livelihood on the pipeline, so they will not be a responsibility to society



22 For those who are thinking of  
23 who needs the gas and why we need the gas, perhaps we  
24 should open up the eyes and look at the fact that we are in  
25 the global village, -- young people leave and what we  
26 don't take today, somebody else will take for us tomorrow.



Mr. T. Fekete  
Ms. G. McCowan

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1 The boundless beauty of the forest, is a harsh necessity  
2 of life. One person, an old Yukoner, Robert Service, put  
3 it very plainly and I think the only person I ever read who  
4 put it so beautifully like he did. The weak shall perish  
5 and the strong shall survive.

6 Let me quote you from the---

7

8 It says,

9 "The life is a great wheel. Those who go with  
10 it, will survive. Those who try to stop it,  
11 will be crushed by it."

12 That's all I have to say sir.

13 MR. CHAIRMAN: Thank you very  
14 much Mr. Fekete for that statement.

15 MS. MCCOWAN: My name is  
16 Genevieve McCowan and I came here this evening as an  
17 observer. The submissions that I have heard this evening  
18 I feel as a Yukoner, I must say my piece. I have lived  
19 here for thirteen years. I am not an expert on the economy  
20 or the environment. I am for the pipeline for two reasons.

21 We need some input into our  
22 economy and some stability. Obligation - we do have an  
23 obligation to our American neighbours. There is a pipeline  
24 that runs from Portland, Maine to Montreal which is  
25 approximately the same number of miles that would be for  
26 the pipeline through the Yukon.



Ms. G. McCowan  
Mr. A. Bittulf

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1 I would hate to think that the  
2 Americans would turn the tap off on us. I would like to  
3 think that we are intelligent enough to build a pipeline  
4 down an existing corridor in this day and age, or else we  
5 had better give up.

6 MR. CHAIRMAN: Thank you very  
7 much Ms. McCowan for coming forward. Can I invite someone  
8 else to come up and give us the benefit of his or her views  
9 Yes sir?

10 MR. BITTULF: My name is Art  
11 Bittulf. I'm a construction worker. I have a small con-  
12 struction company in the Yukon. I'd like to see the pipe-  
13 line. I think it would be a great benefit and if it was  
14 handled properly like Mr. Tanner said, the things that  
15 could be derived from the pipeline to benefit the people  
16 would be great.

17 Another thing I'd like to say  
18 is that I spent three months this past winter on the  
19 Dempster Highway and the only thing I could see that  
20 bothered the caribou were the wolves and the caribou used  
21 the Dempster Highway to travel ontoget away from the wolves  
22 from what I could see.

23 Another thing -- there is  
24 another thing that's bothering the caribou up here and  
25 that's the hippies that are living in the bush. They keep  
26 shooting at them, killing them and eating them. I think



Mr. A. Bittulf  
Mr. J. Crockford  
Mr. J. Pierce

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1 that should be stopped. You know, if they just leave the  
2 caribou alone and I think the caribou would be all right.  
3 That's all I have to say, thank you.

4 MR. CHAIRMAN: Thank you Mr.  
5 Bittulf.

6 MR. CROCKFORD: Jim Crockford  
7 and I am also a construction worker. I have been in this  
8 country for ten years and before I lived here, I lived in  
9 an area that is known for gas and oil, the face of the  
10 Peace River block, Taylor Flats, Dawson Creek and Fort St.  
11 John.

12 I lived in Boundary Lake for  
13 five years where there is an abundance of pipeline and  
14 right-of-way. To my knowledge, the pipelines have never  
15 bothered the moose. I've seen all types of wildlife on  
16 these pipelines. They use them for grazing and they also  
17 use them for paths, like you know, so they don't have to go  
18 through the bush, et cetera. That's all I have to say.  
19 I agree with it. I think it should go through.

20 MR. CHAIRMAN: Thank you sir.

21 MR. PIERCE: My name is John  
22 Pierce. I live in Crestview. We people in Crestview have  
23 several worries right now and concerning the pipeline, there  
24 are two main worries I think.

25 One is the proximity of the  
26 pipeline to Crestview. I believe that one of the proposed



Mr. J. Pierce  
Mr. J. Ellwood

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1 routes around Whitehorse would go fairly close to Crestview.  
2 The second thing is that as most people in Whitehorse are  
3 aware, we've had mobile home development proposed in  
4 Crestview and it's going through to some extent and it is  
5 still our worry that this will be used as a camp for pipe-  
6 line construction.

7 I'd like to put both of those  
8 in terms of questions to the Foothills representatives, if  
9 he can --

10 MR. CHAIRMAN: Certainly, Mr.  
11 Pierce, and if you'd like to stay there in case there are  
12 follow-up questions, I'd ask Mr. Burrell if he'd come please  
13 to the other microphone. Mr. Ellwood is going to handle  
14 this? Mr. Ellwood is also a Foothills representative.

15 MR. ELLWOOD: Yes sir, with  
16 respect to the possible routing of the line out of the Ibex  
17 Pass area and along the highway, that is being looked into  
18 at the moment, and of course, one of the concerns with such  
19 a routing is that it is very close to a developed area.  
20 We're not at this stage, proposing that that route be  
21 adopted. We are studying -- if we can find an acceptable  
22 route in that general area, then we'll have to decide  
23 whether or not that one is better than the presently pro-  
24 posed route.

25 MR. PIERCE: Well, if you run  
26 it alongside the highway, like my lot -- myself, butts



1 against the highway there. Is it going to run through my  
2 backyard?

3 MR. ELLWOOD: No, we have to  
4 keep it back away from the developed zone. That would be  
5 the criteria for establishing a route.

6 MR. PIERCE: How far from the  
7 developed zone?

8 MR. ELLWOOD: Two hundred and  
9 twenty yards or more.

10

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1 MR. PIERCE: That's pretty close.

2 MR. ELLWOOD: It's a tight area  
3 and that's why we haven't yet been able to establish a  
4 definite route in that --

5 MR. PIERCE: What about this  
6 business of where people are going to live?

7 MR. PIERCE: Well, we certainly  
8 wouldn't have a camp as a trailer court to be used as a camp  
9 for the construction workers. We're planning about forty-  
10 five, pardon me, thirty, personnel for our construction  
11 management to be resident in Whitehorse during this period.  
12 Other personnel will be housed in camps, self-contained  
13 camps outside of the communities and we would be erecting  
14 those. Now, I wouldn't rule out the possibility that some  
15 of our employees may live in trailers here in town or  
16 houses, apartments, whatever, but -- we're at this time  
17 projecting about thirty people from our construction manage-  
18 ment group to be resident here in Whitehorse.

19 MR. ELLWOOD: The workers who are  
20 required to construct a portion of the pipeline through  
21 Whitehorse, where would they live?

22 MR. PIERCE: The camp now is,  
23 I believe, about eight miles out of town, up towards Fish  
24 Lake.

25 MR. ELLWOOD: Up the Fish Lake  
26 Road?



1 MR. ELLWOOD: Yes.

2 MR. PIERCE: Okay, thank you.

3 THE CHAIRMAN: Thank you, Mr.

4 Pierce and Mr. Ellwood. I'd like someone else, please, to  
5 come forward to state an opinion or ask a question. Yes?

6 MS. MUIR: My name is Vivian  
7 Muir and actually I think I'd like to pose a question  
8 to the Foothills representative, but first of all stating  
9 that in Alaska, when the pipeline went through there, about  
10 twenty percent of the people who were hired to work for the  
11 pipeline were women, and all I've heard so far are rumours  
12 as to what Foothills' plans are to employ a certain quota  
13 of women on the pipeline, you know, as regular construction  
14 workers doing, you know, heavy jobs or whatever has to be  
15 done. I would like to know -- no, and one more comment  
16 along the Alaskan line is that. as people may know, in the  
17 States there was an action deal going on in  
18 which one had to be careful to avoid discrimination. That  
19 was established as an actual -- you know, the  
20 action exists there but it does not exist here, so there  
21 are no provisions in the law by which women should be given  
22 the chance to work on the pipeline.

23 Now, at this point, I'm not  
24 stating whether I'm for or against. I just want to pose  
25 the question, what is Foothills' position on women working  
26 on the pipeline?



1 MR. BURRELL: I think it's a  
2 great idea.

3 MS. MUIR: Can you please give  
4 me your reasons for or against.

5 MR. BURRELL: Well, actually,  
6 as far as we're concerned, we feel that women should have  
7 an opportunity to work on these projects and we have said  
8 in our policy statements that job opportunities will be made  
9 available to women and they'll be able to take advantage of  
10 those opportunities which they can fill, so we're certainly  
11 expecting that women will be working on the project and we  
12 will be making provisions for them to do so.

13 MS. MUIR: Further to that, then,  
14 are you making all jobs available to either men or women?

15 MR. BURRELL: We're not going to  
16 discriminate if a girl, a lady, is able to handle the job  
17 safely, then she's going to have the same opportunity as a  
18 man, as a male does at obtaining those jobs.

19 MS. MUIR: Will there be any  
20 kind of quota established as far as, you know, trying to  
21 give a fair -- okay, in the case of any minority, not minor-  
22 ity group, but in the case of -- okay, we can agree, I'm  
23 sure, that women have less to do at this present time with  
24 construction work, with heavy work, et cetera, et cetera.  
25 Now, should this pipeline go through, this would be an  
26 excellent opportunity to give women a chance to develop



1 those skills.

2 MS. MUIR: But, per se, you're  
3 not going to find women with these skills to an equal extent  
4 as men, that's, you know, that's impossible at this point.  
5 So could, have you in mind any kind of quota that could be  
6 established to give women a chance? Would you be open to  
7 that as a suggestion?

8 MR. BURRELL: Well, we question  
9 quotas. Our position has been, basically, with respect to  
10 preferential hiring, which I think you're getting into, is  
11 that preferential hiring to Yukoners, we haven't proposed  
12 any quota system. We don't think that quota system is  
13 probably the way to go. We think it's more proper to have  
14 a, to have a preferential arrangement where Yukoners would  
15 be given the opportunity to take jobs on a priority basis  
16 on a pipeline and as far as women are concerned, we see no  
17 reason why women would be treated any differently than the  
18 men.

19 MS. MUIR: Okay, thanks very  
20 much. That's all I have to say.

21 THE CHAIRMAN: Thank you, Ms.  
22 Muir. That's an interesting point and there's been little,  
23 if any, discussion in these hearings about that before. We  
24 were told in the course of our Alaskan visit that the propor-  
25 tion of women hired in that project was the highest of any  
26 such project to date and we were told that with some pride.



1 Okay, can I ask  
2 if someone else has an observation or a question of any kind?  
3 Yes. It's a pleasure to have another MLA speaker this  
4 evening.

5 MRS. WHYARD: Thank you, Mr.  
6 Chairman, members of the Board. I hadn't intended to present  
7 a formal brief this evening. I came to listen and I am a  
8 guest in my colleague's constituency but I am the MLA for  
9 Whitehorse West, which is the closest neighbour, and White-  
10 horse West, in case you are not familiar with it, runs for  
11 approximately twenty miles along the Alaska Highway from  
12 approximately the Carcross cutoff, straight through past the  
13 Takhini Trailer Court and in that constituency, we have some  
14 eleven hundred voters so I think the factor is three  
15 and a half per family or something, so you have approximately  
16 four thousand people, I think.

17 We include the Alaska Highway,  
18 an operating mine, part of the Yukon River, some beautiful  
19 mountains, three trailer courts, four housing areas, I think  
20 eleven gravel pits and a partridge in a pear tree.

21 I have some difficulty this  
22 evening because I am the elected Member from Whitehorse West,  
23 but I am also a member of the Executive Committee of the  
24 Government of the Yukon. It is very difficult to draw a line  
25 between my approach to the pipeline as a representative of  
26 Whitehorse West and my approach as a member of the Govern-



1 ment, which will be laid before you in our formal brief.

Tonight, I've been hearing a  
great many good presentations from people who are sincere.

4 I am hearing both sides of the question and this is very  
5 helpful to me because, sir, in the middle of May I went to  
6 some trouble to send out a letter to all residents in  
7 Whitehorse West regarding these hearings of your Inquiry,  
8 submitting to them the information regarding how to appear,  
9 how to present their views, where to get assistance and in-  
10 formation, and I had absolutely no response in the following  
11 months. I have received one letter from a resident of White-  
12 horse West and that was certainly supporting the construc-  
13 tion of the pipeline along this route.

Tonight another member, another resident of the constituency, has spoken in support of the route, therefore, I am forced to assume that because of the silence of the others they also support this group.

18                               There are several things I  
19       would like to pick up on, Mr. Chairman, if I could have a  
20       moment or two, from the notes I've made tonight from this  
21       hearing. You yourself said in your introductory remarks  
22       that there will be a decision in principle, a decision in  
23       principle, by September, from the Government.

24 I consider these hearings are  
25 hearings in principle, and I consider that, as you said, there  
26 would be a secondary phase when we would devise terms and



1 conditions and get down to specifics regarding the construc-  
2 tion of a pipeline and at this inquiry I am concerned with  
3 principle. I have heard criticism tonight of the Territor-  
4 ial Government which implied that we are only looking at a  
5 short term benefit in jobs and tax dollars, and, without  
6 divulging any of the position which this Government will  
7 take at the formal hearings, I want to deny that any member  
8 of the Executive Committee of this Government is looking  
9 at this proposal in those terms.

10 I have, I also have problems  
11 with people who are raising the nitty-gritty details of  
12 construction conditions and the taxation rate and various  
13 other factors which concern them, mainly, in a personal way,  
14 because all of these details are being studied very, very  
15 closely by this Government and all of them are being taken  
16 into consideration in the preparation of the Government's  
17 position and this will be revealed to the Inquiry at the  
18 formal hearing.

19 I think probably I was the first  
20 person, at least in this room, to write anything about the  
21 Alaska Highway route for a pipeline and that was some twelve  
22 years ago when, as editor of the Whitehorse Star, the words  
23 were/<sup>first</sup>starting to flow from the other side about a MacKenzie  
24 route, and in my blissful ignorance, I banged off an edit-  
25 orial saying, obviously if there is ever gas to come from  
26 Prudhoe or Alaska sources, the logical route is down the



1 Alaska Highway. I wish I could take a day off and go and  
2 find that because I'd like to present a framed copy to  
3 Foothills or somebody. I might say, Mr. Chairman, that  
4 at that time nobody beat me over the head for saying so, and  
5 a lot of people agreed it would be great to get that kind  
6 of industrial development for the Yukon.

7 In fact, the one positive piece  
8 of feedback I had as a result of that editorial was belabour-  
9 ing from Dick Hill of Inuvik, whom some of you know, who  
10 claimed that I was taking the bread out of the mouths of  
11 widows and orphans in the N.W.T. who would be deprived of  
12 this project, if it came down the Alaska Highway. It's  
13 kind of interesting to look back now.



On the Pelly River, there used to be a family named Wilkenson, that some of us remember, and they had big game guiding, and trapping and a beautiful garden. And they lived a very self-sufficient way of life for many years. I recall meeting them and admiring them and being a little bit amused when the bridge crew moved in to construct the bridge across the river and the Wilkenson's said, that's enough, there's too many people around here and they moved back further away.

I can share that feeling, I know how they felt. They resented intrusion and there's still a lot of us who do, but -- and I think if I was as young as some of the people who have spoken tonight, I would be most upset and emotional about it. But I'm not. I have lived in the North for 32 years. All my children were born in the Northwest Territories and I consider they are natives of the North. Two of my grandchildren are still here in the Yukon. We have three generations in this country, and of course we'd like to keep it to ourselves. I resent people who walk around from a Territorial campground and cross my little piece of land on Lake LaBarge and I think, you know, there's lots for you, go somewhere else.

It wouldn't matter if we never built a pipeline, sir. We cannot keep people out of this country. All we can do is our very best to prepare for the influx, whether it's a pipeline or some other project. I



1 think my main point in coming forward tonight is to say that  
2 the Government of the Yukon Territory is making absolutely  
3 every possible effort to prepare for such a project if it  
4 comes. We are using the best minds available and all the  
5 material we can possibly get our hands on in this short  
6 period of time. I know that Yukoners will be satisfied with  
7 the presentation this Government makes -- most Yukoners,  
8 because we are desperately striving for a solution which  
9 will be the best for the most people here.

10 I think there were one or two  
11 other things I must refute. There was an intimation --  
12 well, more than an intimation, there was a definite state-  
13 ment of doubt that the Council would use its power to tax  
14 effectively, and there was a suggestion that we should be  
15 bargaining for a million dollars per mile per year. I know  
16 we've had Miles for Millions in this country, but it wasn't  
17 that kind.

18 I would like to discuss that a  
19 little further with Rob someday, because I don't see how  
20 it equates with a cheap source of gas or fuel for people in  
21 the North, which I thought was one of the objectives -- long  
22 term.

23 We do know about the Taxation  
24 Ordinance. Let me assure you we're examining every aspect  
25 of how we can make this project count for the Yukon.

26 Justice and responsible stewardship



1 was one of the quotes from the Ministerial Association, I  
2 think that a joint effort of our Government as well. Green-  
3 peace said we haven't got enough time to consider this, but  
4 again I reply this is a consideration of a decision in prin-  
5 ciple, not all the aspects entering into the possible con-  
6 struction phase.

7 I liked Mr. Tanner's presentation,  
8 he did a very fair comparison of nine years ago and now and  
9 he's made it very evident how we can advance to that stage.  
10 We either need another Anvil or we need a project of the  
11 same size.

12 The ombudsmen is an interesting  
13 suggestion and it's not the first time we've made it. We  
14 have to have a continuing presence where the people of the  
15 Yukon know there is someone listening to them, whether it's  
16 in this forum or whether it's through their government repre-  
17 sentative in the Legislative Assembly. I know how Mrs.  
18 Carruthers felt and I sympathize with her, but I want to  
19 assure her that this country will still be a remarkably  
20 fine place to live and to bring up a family, ten, fifteen  
21 and twenty-five years from now.

22 I have just come back from a  
23 quick trip to Japan, where I was very much impressed by the  
24 ability of those people to live together, without corrosion.  
25 A city of 14.3 million people, where I saw no dirt and I  
26 saw no pollution and I saw no alcoholism and there was very



1 little evidence of crime, and they are polite to each other  
2 and they are getting along. I think we have a very, very  
3 great deal to learn from people who have been forced to live  
4 in crowded conditions, because we are so, so accustomed to  
5 being spoiled with vast amounts of space for each one of  
6 us. Absolutely the most spoiled people in Canada and now  
7 we are beginning to appreciate it because some of us see a  
8 project such as the pipeline as a threat to this singular  
9 solitude and enjoyment of nature that we've all had.

10 I've heard Tony talking about this  
11 country like a real Yukoner and quoting Robert Service and  
12 he is a fine example of a man who came here and made it the  
13 hard way, which can inspire a lot of us to get off our butts  
14 and work a little harder. I've heard some construction  
15 workers, pipeline workers and people who are worried about  
16 where the pipeline is going to go in their own balliwick  
17 Believe me, Mr. Chairman, I have had the same concerns. I  
18 have wakened in a nightmare with a visual nightmare of  
19 having a huge pipe coming right through my own yard, right  
20 through the house and you begin to wonder what is this I'm  
21 supporting, where is it going to go. One of the reasons  
22 I sent a letter out to the people of Whitehorse was to  
23 show them the approximate route, as accurately as I could  
24 get it from Foothills' presentation. And I haven't heard  
25 anybody worrying about how close it going to them, through  
26 Whitehorse West. I think that is one of the areas where



Mrs. F. Whyard  
Ms M. Thompson

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1 it's closer to communities then elsewhere. Maybe we'll hear  
2 from them later.

3 I think, Mr. Chairman, since I  
4 don't have a prepared brief and I'm taking up a great deal  
5 of time here, I would just like to summarize. In my letter  
6 to my constituents I said that I was in support of the pipe-  
7 line project insofar as the Government was able to build in  
8 safeguards and restraints and controls and I want to assure  
9 this meeting that that is exactly what they are going to  
10 attempt to do.

11 But also I want to say that there  
12 is a bit of parliamentary procedure when someone comes up  
13 with an idea and a motion is made, that before it can be  
14 discussed, somebody has to second the motion. It seems to  
15 be that the proposal for this route for a vast pipeline is  
16 somebody proposing the motion, and for the purposes of  
17 discussion, I'm seconding that motion.

18 Thank you, Mr. Chairman.

19 MR. CHAIRMAN: Thank you very much  
20 indeed, Mrs. Whyard, for those comments.

21 Can I ask if someone else now  
22 would like to come forward and state an opinion or ask a  
23 question?

24 Ms Thompson.

25 MS MARGARET THOMPSON: I'd like to  
26 make a few comments about some of the things that were said



1 by various people here tonight and I'm just going to adlib  
2 as I go along.

3 Mr. -- Member for this area, Danny  
4 Lang, made a comment that native people, / <sup>were</sup> 58 per cent of  
5 the Yukon population. He went on to say that Yukon people  
6 as a whole were doubly disadvantaged. I'd like to point  
7 out that if they're doubly, the native people are triply  
8 disadvantaged. I'm sure that everybody by this time has  
9 heard all of the concerns about the social issues regard-  
10 ing native people and they all seem to be the problems  
11 concerning native people or relating to them appear to be  
12 negative. I'd like to hear some good things made about  
13 native people.

14 One of the statements he said  
15 was, "federal government has control of our destiny". I  
16 think in a sense that is true, because you have not, as a  
17 Territorial Government, perhaps, in your own wisdom or  
18 whatever, shall I say, encouraged fully the participation  
19 of native peoples in whatever process it has to be involved.

20 I'd like to add a comment further to this and I think  
21 this bears repeating. I drew this up and made this state-  
22 ment in Ross River, but I feel it's applicable here. I'd  
23 like to read it out.

24 What is social justice? Social  
25 justice has to take into consideration the question of  
26 differing values and culture. Social justice and culture



1 has different meanings in different societies. There is a  
2 political, legal, economic justice. Rich people and persons  
3 with means, benefit from laws, but poor people can't benefit  
4 from laws and in this sense I'm referring to native people.  
5 Traditional cultural laws were made easily accessible to  
6 people. The Indian culture faces break-down at this time.  
7 International laws were made by western nations, and I'm  
8 referring to Canada and the United States especially in this  
9 case, and referring to the multi-national corporations which  
10 I think seem to have the greatest impact, the greatest say  
11 in whatever happens, because in terms of that sense, every-  
12 body, everything seems to revolve around money.

13 Industrial countries had its  
14 traditional attitude towards poor people. Native people  
15 are now in this position as a race. Number one, pity.  
16 Number two, sense of guilt. Number three, sense of fear.  
17 Number four, last but not least, and this seems to be the  
18 biggest impact, they expect a return.



1 The answer is, as we as native  
2 people are equal in another culture. Equality cannot be  
3 terms of competition as defined in the European culture:  
4 If that is the definition used by -- then native people  
5 are not ready to compete and therefore not equal.

6 Social justice for native people  
7 can only come about when they take control of their own  
8 destiny. By this I mean they must have full participation  
9 in all social, economic and political developments that  
10 affect them -- the native way of life. This also implies  
11 they must have freedom of choice and what kind of lifestyle  
12 they want to lead. Too often the dominant society have  
13 imposed their cultural views in education, health, law,  
14 housing, employment, to name a few. In some ways the  
15 situation of native people is rapidly deteriorating through  
16 lack of pride as an Indian nation. Loss of self-confidence  
17 in their own capabilities and skills they once regarded as  
18 their lifeline toward survival of a once proud race.

19 This in turn has created a cultural  
20 genocide or breakdown. Native people need time to implement  
21 programs and develop policies of their own in order to  
22 participate. There are those who want to accept social  
23 change as their choice. If you seriously consider these  
24 alternatives then native people will participate willingly.

25 In conclusion to the social justice.  
26 The native people can have social justice if -- social justice



can go hand in hand with economic development.

Further to the replies, I'm very pleased to see that a lot of response coming from other segments that the voice of the church is being heard, and I think that in the past that in their own way without realizing it, that they probably have tried to assimilate the native people or impose their own attitudes, and I think that they are now taking another stand and it needs to come out a little bit stronger yet in this sense.

I would like to make some comments also about Mr. Tanner, what he has said. Talking about the social impacts. You talk about all the good things that happen here. The improvements and medicare. Before there was no treatment for alcoholics, mentally-physically retarded, no bus system, no day care, and he said what was the need -- the need was motivation, money. He goes on to talk about the government sector, the same kind of thing. The need was there, motivation, he talks about money again. He talked about a lot of other development, double the population and so on. Again he talks about money. He says that the groups are taking a negative attitude in Indian leadership and so on. More time and more money -- again it's coming out -- more money. I'm glad to hear that at least he is saying that we must have more time.

I would like to say, and ask everybody a thought provoking question at this time. How do



they make that money? If I recall a few years ago, and I've been here for ten years in the Yukon, at one time there used to be quite a pride in printing in the newspaper the amount of liquor sales, over the past years. How did all those problems happen, through the liquor? How did all those social problems occur? How did they make that money? Now, they're turning around and saying oh yes we made money, now we're going to double everything and we're going to use that money. But at who's expense? The native people's expense. They make the money off of them, selling them the booze. I hope that a few people have a conscience about this.

Mrs. Whyard said, I'm quoting her, she wanted to see the Territorial Government having involvement that they were going into a great deal of effort, looking into all the issues, guaranteeing that everything was going to happen the way it should as a government. I'm asking, is there any representation of native people on that government study? Seriously? How many people do you have as employees? How many people that are having input in administrative? What kind of research has been done in that area to have their input and to encourage this? They're talking about justice, talking about an ombudsman. I agree that all these things are coming out and I'm glad we have a pipeline issue. We've had a chance to express a lot of concerns that have never been voiced publicly before. I think we could use an ombudsman to present human rights issues in the Yukon. And



1 I'm sure there's an awful lot of them that should be consider-  
2 ed. Why do we have to wait for a pipeline to do this? It's  
3 a basic human concern that is an international right. Let's  
4 make it part of our domestic issue but with the involvement of  
5 the native people. And as a representative of the Executive  
6 Committee, I'd like to hear her representation, her concerns  
7 towards the health issue of native people, because all these  
8 issues tie in with everything that's happening at this dev-  
9 elopment.

10 Thank you.

11 THE CHAIRMAN: Thank you very much,  
12 Miss Thompson. Can I ask if -- yes? Miss Muir?

13 MISS MUIR: By whom should that  
14 question be answered that she posed---

15

16

17

18 THE CHAIRMAN: Miss Margaret Thomp-  
19 son was the speaker and the question, I guess, was directed at  
20 Mrs. Whyard is that correct?

21 MRS. WHYARD: Mr. Chairman, the  
22 question of native representations to this Inquiry has been  
23 handled very competently by funding from the Federal Govern-  
24 ment to the native organizations, to hire their own researchers  
25 and do their own studies in separation from the Territorial  
26 Government. They had adequate funding for this and the same



1 resources available to them. It would be redundant to under-  
2 take a duplication of that study on the side of the Territorial  
3 Government. Regarding the healthquestion, there has been ex-  
4 haustive study done regarding the impact of such a project on  
5 all our social services, health, welfare, corrections, alco-  
6 holism, rehabilitation, and all of this is now being prepared  
7 for the government submission.

8 THE CHAIRMAN: Thank you, Mrs.  
9 Whyard.

10 Could I ask, Ms Muir, if you have  
11 a following question?

12 MS MUIR: I'd like to address this  
13 question, then, to Flo Whyard. Why, then, I don't understand  
14 why the Territorial Government's position, since it's, they are  
15 the Government of the Yukon Territory, does why does not the  
16 government's position reflect or include and so in that way  
17 reflect the native people's position. In other words, I would  
18 like to specifically know are there any native people who are  
19 working within the government inquiry, because otherwise the  
20 Territorial Government is coming out with a statement which  
21 does not reflect, and which should, the position of the native  
22 Indian people of the Yukon. Does my -- does that make sense  
23 to you?

24 I don't want to go through the  
25 question again, but I don't feel, I feel, in other words,  
26 there's misrepresentation of the Indian people.



1 MRS. WHYARD: Mr. Chairman, I don't  
2 wish into debate here and it's not my meeting, but if you wish  
3 me to reply I will.

4 MR. CHAIRMAN: Well, since you're  
5 at the microphone, Mrs. Whyard, if you're agreeable, perhaps  
6 we could get your response, but then, I think it probably end  
7 the exchange at that point.

8 MRS. WHYARD: My response has to  
9 be that the Government of the Yukon provides services for all  
10 the people who require them in the Yukon. When I'm talking  
11 about health services, I'm talking about health care for all  
12 residents of the Yukon. When I'm talking about social assist-  
13 ance or the impact on that department, I mean all people of the  
14 Yukon. In our programs we do not differentiate and we do not  
15 break down, usually, in our treatment, in alcoholism centres  
16 or in public health measures, venereal disease, none of these  
17 things to me, mean, how many native people or how many white,  
18 they mean Yukon residents and that is the mandate given this  
19 government.

20 Thank you.

21 MR. CHAIRMAN: Thank you once again.

22 Okay, can I ask if anyone else  
23 would like to come forward with either a statement or a ques-  
24 tion?

25 MR. VIC THOMAS: Members of the  
26 Board. I am an engineer, my name is Vic Thomas and I've lived



1 in the Yukon for about eight years.

2 Now, what we basically are concern-  
3 ed about, I think, is evolution and that's been around since  
4 a man first picked up a stone. Now, okay, you've got progress  
5 on one side and you've got stagnation on the other. Now pro-  
6 gress has always brought with it more advantages than disad-  
7 vantages. When they first built the CPR, Canada was fragmented  
8 territories. That welded the country together and made it a  
9 country. The buffalo were lost in the process, but we gained  
10 a country.

11 When they built the Alaska Highway  
12 there wasn't too much up here then. There was the remnants of  
13 the gold business and then there would be various native com-  
14 munities consisting of the natives, the welfare workers and  
15 the clergy. And they weren't going anywhere either at the  
16 time. Now they are, now they're progressing and they're pro-  
17 gressing because of developments which produces tax money.

18 Now, as a further phase of develop-  
19 ment, I would say that the pipeline could possibly be used to  
20 provide a tax base which could speed up provincial status so  
21 that people in the Yukon can be fairly represented.

22 Now I would also like to make a  
23 few comments about the actions of the CYI. They don't seem to  
24 be, they are, seem to be prejudice against their own people.  
25 To me, the people who they should be representing are the  
26 Indians with the welding ticket and the Indians who are in the



1 union and operate heavy equipment and they're the people who  
2 are going to carry the Indian nation onwards. And they are  
3 getting slapped down at the moment by the CYI's policy. They  
4 seem to, they fail to sort of recognize the fact that the fed-  
5 eral trough is not without a bottom. It has to be kept topped  
6 up and it has to be kept up by the tax payers and the tax pay-  
7 ers are not an anonymous bunch of people in eastern Canada or  
8 southern Canada or anywhere else. They're all around here and  
9 unless they've got lots of work, unless they're making lots of  
10 money, that trough's going to dry up. And when you bite the  
11 hand that feds you, you know, sooner or later it won't feed you  
12 anymore and that's all.

13 Thank you.

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1 THE CHAIRMAN: Thank you, Mr.  
2 Thomas. If anyone else has an observation to make or a  
3 question.

4 MR. MCCOWAN: Yes, my name is  
5 Bob McCowan. I would just like to ask one question. I'm  
6 not that affluent in this whole program but Mrs. Whyard has  
7 said that from this hearing, whether the pipeline will go  
8 through or not, the Territorial Government's making every  
9 effort to cover all the various aspects and angles. What  
10 kind of time frame are we looking at after your submission  
11 goes back East, whether it would be yes or no that the  
12 Territorial Government would have to act in. Is it going to  
13 be six months, one year, when does Foothills intend to get  
14 started? I'm not too clear on that point. Now, if it's a  
15 short period of time, the only comment I would have, I would  
16 hope, as Mrs. Whyard has said, everything's going to go over  
17 smooth as clockwork. Personally, I can't see that it's  
18 going to go quite that smooth right at present. We haven't  
19 got sufficient ordinances to cover some of the things that  
20 we're needing right now, let alone if a pipeline, I don't  
21 know what the Foothills people propose. I've heard rumours  
22 that it's what, if it went through you people would start  
23 in '79, is it, or 78?

24 THE CHAIRMAN: The Foothills  
25 proposal is summer of '79.

26 MR. MCCOWAN: The summer of 79?



1 MR. McCOWAN: The summer of 79.

2 Well, that's not that far away for really what I think our  
3 Government would have to act on. We're just getting, in the  
4 Yukon Territory now, a new policy. One example is Workmen's  
5 Compensation, that is just being drafted now, with one field  
6 officer to enforce compensation ordinances, and when you get  
7 the size of the pipeline going through here and the number  
8 of construction workers, we're going to need a lot more  
9 than that. Mr. Tanner made a good point, an ombudsman.  
10 We're going to need some sort of protection for, again,  
11 John Q Citizen, consumer rents, whatever. I think it's going  
12 to be inevitable we're going to get the pipeline, you're  
13 going to hold your inquiries but it's probably going to come,  
14 The thing is if we're going to have it, let's try to get the  
15 most benefit for the Yukoner and make sure we have some  
16 legislation that's going to protect the people that've been  
17 here and intend to stay for a number of years to continue  
18 making their home here.

19 Thank you.

20 THE CHAIRMAN: Thank you very  
21 much, Mr. McCowan. Anyone else with a statement of opinion  
22 or question? Yes?

23 MR. McCOWAN: Could I get that  
24 first portion -- I rambled on there -- but could I get that  
25 answered, Mrs. Whyard? Do you know what type of time frame  
26 are we looking at in between after this report goes in --



1 you're working at it now.

2 THE CHAIRMAN: I think that's a  
3 difficult one to respond to because the question is --  
4 mentioned what Foothills has said it would propose as a  
5 time to commence construction but of course that implies  
6 a whole lot of things in terms of necessary government  
7 approval at the federal level and particularly the granting  
8 of certificates by the National Energy Board, and so on.  
9 I think it would be fair to say that, you know, with all the  
10 ifs and buts that summer of 79 is the earliest possible date,  
11 but how much later the date might be if the Alaska Highway  
12 gets the approval is something which I think it would be  
13 very difficult for Mrs. Whyard to speak to. You're welcome  
14 to, if you --

15 MRS. WHYARD: Mr. Chairman, I'd  
16 just like to give one simple reply.

17 THE CHAIRMAN: Sure.

18 MRS. WHYARD: Mr. Chairman, when  
19 I referred briefly earlier to the work that this Government  
20 is now doing, one of the very important aspects, of course,  
21 is the recognition of what legislation must be in place  
22 long before any construction begins. I would like to  
23 reassure Mr. McCowan and all the other Yukoners who are in-  
24 volved in this problem that this Government is trying to  
25 look, not just two years ahead, but farther down the road.  
26 We know that some of this legislation should have been in



Mrs. Whyard  
Mr. B. McCowan  
Mr. D. Lang

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1 place yesterday. We know that the time frame is desperately  
2 short. If you're going to impose rent controls, for example,  
3 maybe they should have been in a year ago but every bit of  
4 legislation affecting controls and safeguards is being  
5 examined, and I'm afraid that that's as far as I can go  
6 tonight but I want to assure you that we're looking at every  
7 bit of it.

8 THE CHAIRMAN: Okay, thank you.  
9 If -- yes, Mr. McCowan?

10 MR. McCOWAN: One other point.  
11 Now that I got started I'll switch it around then to Danny  
12 in that let's get started tomorrow. I won't comment on that  
13 on a pipeline and get people trained. That's the point,  
14 training people again if it's going to go ahead. Are we  
15 working towards some kind of a training program because you  
16 can't start today, it will be too late. For years we have  
17 we don't have enough qualified people in the Yukon. If  
18 Foothills starts in '79 we're going to put a handful of  
19 people on that pipeline which requires qualified trained  
20 people, what kind of things have you got---

21  
22 MR. LANG: I'm almost get-  
23 ting the impression maybe Flo and I should be in the front.  
24 At any rate, Bob, we are looking, in the whole area of  
25 manpower and totality in concert with the Canada Manpower  
26 Government organization, I might add that they work very



1 well with us and in the area of training, we're examining  
2 the various areas in relation to what we might possibly need  
3 in relation to facilities and that kind of thing. So we're  
4 just examining it at the present time and we fully realize  
5 that probably within the very near future that the Yukon  
6 may be ready for another training facility. I think, Bob,  
7 you're more aware than most people that our training facil-  
8 ities are quite small in relation to the heavy trades.  
9 All these areas are being examined at the present time and  
10 decisions will have to be made in the very near future how  
11 far we intend to go. And, as one speaker here earlier said,  
12 a lot of it depends on our financial situation in relation  
13 to how far we actually can go as a government.

14 THE CHAIRMAN: Thank you, Mr.  
15 Lang, Mr. McCowan. Can I ask if anyone else has an observa-  
16 tion or a question?

17 I might just remind you of two  
18 things, if I may, that, three things, perhaps. If anyone  
19 does have an afterthought they'd like to pass along to the  
20 inquiry, that can be done by mailing to us, it's the Lynn  
21 Building in Whitehorse, a letter of a submission of any  
22 sort, we'd be very pleased to receive it.

23 Secondly, for anyone who's in-  
24 terested in more information, we do have in our offices what  
25 we call a viewing room and we would be pleased to have any-  
26 one come around and look at some of the material there, maps



1 and so on.

2 Thirdly, the next community  
3 hearing will be Wednesday night, day after tomorrow, in the  
4 Whitehorse Legion Hall, commencing at 7:30 and we hope that  
5 we may see many of you there to continue the discussion that  
6 went forward this evening.

7 Finally, I'd just like to thank  
8 you very much indeed for this very good turnout and very  
9 high degree of participation that we got from Porter Creek.

10 Thank you, and we stand adjourned.

11 (HEARING ADJOURNED)

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